

SENATE

WEDNESDAY, NOVEMBER 24, 1937

(Legislative day of Tuesday, November 16, 1937)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

BURTON K. WHEELER, a Senator from the State of Montana, appeared in his seat today.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Tuesday, November 23, 1937, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. BARKLEY. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Connally	King	Pepper
Andrews	Copeland	La Follette	Pittman
Ashurst	Davis	Lee	Pope
Austin	Dieterich	Lewis	Radcliffe
Bailey	Duffy	Lodge	Russell
Bankhead	Ellender	Logan	Schwartz
Barkley	Frazier	Loneragan	Schwellenbach
Berry	George	Lundeen	Sheppard
Bilbo	Gerry	McAdoo	Shipstead
Bone	Gibson	McGill	Smith
Borah	Gillette	McKellar	Stelwer
Bridges	Graves	McNary	Thomas, Okla.
Brown, N. H.	Green	Maloney	Thomas, Utah
Bulkey	Guffey	Miller	Townsend
Bulow	Hale	Minton	Truman
Burke	Harrison	Moore	Tydings
Byrd	Hatch	Murray	Vandenberg
Byrnes	Hayden	Neely	Van Nuys
Capper	Herring	Norris	Wagner
Caraway	Hitchcock	Nye	Wheeler
Chavez	Johnson, Calif.	O'Mahoney	White
Clark	Johnson, Colo.	Overton	

Mr. MINTON. I announce that the Senator from West Virginia [Mr. Holt], the Senator from Delaware [Mr. Hughes], and the Senator from North Carolina [Mr. Reynolds] are absent from the Senate because of illness.

The Senator from New Jersey [Mr. Smathers] is absent because of illness in his family.

The Senator from Michigan [Mr. Brown], the Senator from Ohio [Mr. Donahey], the Senator from Virginia [Mr. Glass], the Senator from Nevada [Mr. McCarran], and the Senator from Massachusetts [Mr. Walsh] are unavoidably detained.

The VICE PRESIDENT. Eighty-seven Senators have answered to their names. A quorum is present.

PETITIONS

The VICE PRESIDENT laid before the Senate resolutions adopted by the Philadelphia Committee for Industrial Organization and United Workers Local Industrial Union, No. 37, both of Philadelphia, Pa., favoring the enactment of wage and hour labor legislation and protesting against the lay-off of workers in the Philadelphia area, which were ordered to lie on the table.

He also laid before the Senate resolutions adopted by Local No. 1 of the United Federal Workers of America (acting for the administrative employees of the Works Progress Administration), Washington, D. C., favoring the prompt enactment of the bill (H. R. 8428) to provide for the hearing and disposition of employee appeals from discriminatory treatment by superiors in the Federal service, and the bill (H. R. 8431) establishing a 5-day workweek in the Federal service, and for other purposes, which were referred to the Committee on Civil Service.

THE BUSINESS SITUATION

Mr. TOWNSEND. Mr. President, I ask unanimous consent to have printed in the RECORD and lie on the table a telegram received by me bearing on the present business recession.

There being no objection, the telegram was ordered to lie on the table and to be printed in the RECORD, as follows:

EDGEWOOD, DEL., November 23, 1937.

Senator JOHN G. TOWNSEND, JR.,

Senate Office Building, Washington, D. C.:

The customers of our company represent a fair cross section of the heavy-goods industry, and we are daily having the experience of projects which were about to proceed being held off, with the result that practically no actual orders are being placed. This situation is having a demoralizing effect upon business in general, and the situation in our own plant is becoming desperate, as we have already been obliged to lay off about half of our factory workers and will soon be obliged to lay off still more men. With our broad contacts with businessmen it is apparent that the cause for withholding the placing of business is due to lack of confidence. Businessmen, large and small, are waiting to determine if business will be accorded the treatment by Washington to which it is entitled. It is imperative that Washington take drastic and immediate steps to revive confidence and assure business that it can be conducted in a manner beneficial to both employees and owners. We earnestly request and urge you to untiringly lend your efforts to this end, for upon Washington now rests the destiny of both workers and business.

J. H. SHIVELY,

Vice President and General Manager,
Edgemoor Iron Works, Inc.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. McADOO:

A bill (S. 3038) to aid in the national defense, to promote water-borne commerce between the States, to further the development and maintenance of intercoastal shipping, and for other purposes; to the Committee on Commerce.

By Mr. TRUMAN:

A bill (S. 3039) granting a pension to Thyra Wilks (with accompanying papers); to the Committee on Pensions.

By Mr. TYDINGS:

(By request.) A bill (S. 3040) for the relief of Herman F. Kraft; to the Committee on Naval Affairs.

A bill (S. 3041) to ratify and confirm Act 23 of the Session Laws of Hawaii, 1937, extending the time within which revenue bonds may be issued and delivered under Act 174 of the Session Laws of Hawaii, 1935; and

A bill (S. 3042) to authorize the Territory of Hawaii to convey the present Maalaea Airport on the island of Maui, Territory of Hawaii, to the Hawaiian Commercial & Sugar Co., Ltd., in part payment for 300.71 acres of land at Pulehu-Nui, island of Maui, Territory of Hawaii, to be used as a site for a new airport; to the Committee on Territories and Insular Affairs.

By Mr. SMITH:

A bill (S. 3043) to provide for loans to farmers for crop production and harvesting during the year 1938, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. SCHWELLENBACH:

A bill (S. 3044) for the relief of Dave Hassel and Jacob Bassi;

A bill (S. 3045) for the relief of William R. Dibkey;

A bill (S. 3046) for the relief of Richard D. Krenik; and

A bill (S. 3047) for the relief of Lars Mikkalsen, Martin Pedersen, Martin Johansen, Harold Strom, Ivar Rudd, Abel Moen, Ivar Jervik, Alfred Horn, Sverre Olsen, and Fritz Fredericksen; to the Committee on Claims.

By Mr. McNARY:

A bill (S. 3048) authorizing the Secretary of Commerce to convey a certain tract of land to the State of Oregon for use as a public park and recreational site; to the Committee on Commerce.

By Mr. McKELLAR:

A bill (S. 3049) for the relief of R. A. Scruggs (with accompanying papers); to the Committee on Claims.

AGRICULTURAL RELIEF—AMENDMENT

Mr. RUSSELL submitted an amendment intended to be proposed by him to the bill (S. 2787) to provide an adequate and balanced flow of the major agricultural commodities in interstate and foreign commerce, and for other purposes, which was ordered to lie on the table and to be printed.

NATIONAL BITUMINOUS COAL COMMISSION

Mr. DAVIS. Mr. President, I ask consent to submit a resolution requesting information concerning activities of the National Bituminous Coal Commission, which I request may be printed in the RECORD and appropriately referred.

There being no objection, the resolution (S. Res. 200) was referred to the Committee on Interstate Commerce and ordered to be printed in the RECORD, as follows—

Resolved, That the National Bituminous Coal Commission is requested to transmit to the Senate immediately:

1. A copy of the resolution introduced by a member of the Commission and transmitted to the President making serious charges against one of the Commissioners;
2. All information denied the consumers' counsel with respect to price fixing of coal;
3. The number of employees on the Coal Commission not under civil service;
4. Copy of correspondence between the Coal Commission and the General Accounting Office relating to civil service; and
5. Also such other information as may be available for the use of the Senate.

VICE PRESIDENT GARNER

[Mr. TRUMAN asked and obtained leave to have printed in the RECORD an editorial from the New York Times headed "Mr. Garner," which appears in the Appendix.]

CONSERVATION PHASES OF THE GOVERNMENT'S POWER PROGRAM

[Mr. NORRIS asked and obtained leave to have printed in the RECORD an article by Hon. Harold L. Ickes, Secretary of the Interior, dealing with the conservation phases of the Government's power program, published in the New York Times of Sunday, November 7, 1937, which appears in the Appendix.]

THE WIDEST USE OF ELECTRIC POWER—ARTICLE BY CLARK FOREMAN

[Mr. NORRIS asked and obtained leave to have printed in the RECORD an article by Clark Foreman, Chief of the Power Division of the Public Works Administration, on The Widest Use of Electric Power, which appears in the Appendix.]

STOCK EXCHANGES AND THEIR OPERATIONS

[Mr. MALONEY asked and obtained leave to have printed in the RECORD a statement issued by Chairman William O. Douglas, of the Securities and Exchange Commission, on November 23, 1937, which appears in the Appendix.]

THE WORKINGMAN'S TAX BILL

[Mr. AUSTIN asked and obtained leave to have printed in the RECORD abstracts from a series of articles in the Providence Journal and Evening Bulletin, of Providence, R. I., regarding a research study of the actual expenditures of three thrifty New England families, which appear in the Appendix.]

INTERNATIONAL PEACE—EDITORIAL FROM WASHINGTON POST OF NOVEMBER 24, 1937

[Mr. TRUMAN asked and obtained leave to have printed in the RECORD an editorial from the Washington Post of today, headed "No Peace Through Passivity," which appears in the Appendix.]

AGRICULTURAL RELIEF

The Senate resumed consideration of the bill (S. 2787) to provide an adequate and balanced flow of the major agricultural commodities in interstate and foreign commerce, and for other purposes.

Mr. POPE obtained the floor.

Mr. McNARY. Mr. President, I desire to propound an inquiry to the Senator from Idaho. If he has a prepared address, I shall be very willing to have him conclude before any questions are propounded. I want to consult his pleasure in the matter. If the Senator desires to deliver his address and conclude it before questions are asked, I will respect his feelings.

Mr. POPE. I prefer to have questions asked as I go along, if that seems to the Members of the Senate a desirable course. It makes no difference to me.

Mr. President, on February 8, 1937, the Secretary of Agriculture realized that the large acreage planted in wheat and in corn and in cotton which was then apparent would prob-

ably result in surpluses of farm products for the year 1937. On that date he called together farm leaders from all over the United States, representing the various farm organizations. The number who attended was about 60. At that time, as a result of that conference, a statement of principles was adopted by the group of farmers. Following that conference the committee of farmers proceeded to prepare a bill to meet the situation. The Farm Bureau Federation, as it happened, was most active in the preparation of the bill. So later in the session a bill was introduced by the Senator from Kansas [Mr. MCGILL] and myself embodying the work and the ideas of the committee representing the farmers.

As time went on the results which Secretary Wallace had foreseen occurred. The price of cotton first fell and later the price of corn and still later the price of wheat; and toward the end of the session it began to be realized by the Members of this body and the people generally that legislation was necessary.

It will be remembered that Senators representing the cotton-growing States urged upon the President the necessity of making loans to cotton growers. At the same time there was some discussion of the necessity of loans to corn growers. So a joint resolution was passed by the Congress at the last session, being Senate Joint Resolution 207, Public Resolution No. 69, which was signed by the President. I think I will read a few sentences of that joint resolution to show its substance:

Whereas a permanent farm program should (a) provide not only for soil conservation but also for developing and improving the crop-adjustment methods of the Agricultural Adjustment Act, (b) protect agriculture and consumers against the consequences of drought, and (c) safeguard farmers and the business of the Nation against the consequences of farm price decline; and

Whereas it is the sense of Congress that the permanent farm legislation should be based upon the following fundamental principles:

- (1) That farmers are entitled to their fair share of the national income;
- (2) That consumers should be afforded protection against the consequences of drought, floods, and pestilence causing abnormally high prices by storage of reserve supplies of big crop years for use in time of crop failure;
- (3) That if consumers are given the protection of such an ever-normal granary plan, farmers should be safeguarded against undue price declines by a system of loans supplementing their national soil-conservation program; and
- (4) That control of agricultural surpluses above the ever-normal granary supply is necessary to safeguard the Nation's investment in loans and to protect farmers against a price collapse due to bumper yields resulting in production beyond all domestic and foreign need.
- (5) That the present Soil Conservation Act should be continued, its operations simplified, and provision made for reduced payments to large operators on a graduated scale to promote the interest of individual farming.

There are other provisions of the joint resolution but those read seem to me to be essential. The resolution concludes with this statement:

That abundant production of farm products should be a blessing and not a curse, that therefore legislation carrying out the foregoing principles will be first to engage the attention of the Congress upon its reconvening, and that it is the sense of the Congress that a permanent farm program based upon these principles should be enacted as soon as possible after Congress reconvenes.

Another resolution authorized the Committee on Agriculture and Forestry to conduct hearings throughout the country. Pursuant to that resolution two subcommittees of the Committee on Agriculture and Forestry did conduct hearings throughout almost the entire country. The western committee, of which I was a member, conducted hearings from Spokane, Wash., to New York City and heard witnesses from 20 States. With this joint resolution before us and with the bill which the Senator from Kansas [Mr. MCGILL] and I had introduced at the request of the farmers, we heard the testimony of perhaps 1,200 or 1,500 farmers in the West, Middle West, and Northeast.

Mr. MCGILL. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. CONNALLY in the chair). Does the Senator from Idaho yield to the Senator from Kansas?

Mr. POPE. I yield.

Mr. MCGILL. I think the Senator's statement as to the number of States from which witnesses were heard by the subcommittee of which he and I were members, is not quite correct. My thought is, and I am quite sure of it, that we heard witnesses from 29 States all told.

Mr. POPE. The Senator from Kansas says we actually heard witnesses from 29 States instead of 20, as I stated. Probably he is correct.

Those witnesses represented all of the farm organizations in the States. They represented the agricultural officials of the various States. Numerous farmers who belong to no organization and hold no official positions testified before the subcommittee.

I think this is a fair statement of the sentiment which was obtained by the subcommittee with reference to farm legislation. Some of the witnesses had read the bill introduced by the Senator from Kansas and myself, Senate bill 2787. A few of them had read other agricultural bills pending in the Senate or in the House. I would say that 80 percent, at least, of those who testified were in favor of the principles involved in the bill and were in favor of the principles set out in the joint resolution of the Congress to which I have referred. In some places we had a substantial number who favored a cost-of-production bill such as has been introduced in this body by the Senator from California [Mr. McAdoo.]

Mr. NORRIS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Nebraska?

Mr. POPE. I yield.

Mr. NORRIS. Is it not fair to state that the bill in question attempts to carry out the principles outlined in the joint resolution?

Mr. POPE. I think it is entirely fair, because the principles contained in the joint resolution with reference to parity price, with reference to the ever-normal granary, and with reference to commodity loans in connection with them, are covered in the bill now before us. Those who examine the bill will find that it corresponds substantially with the joint resolution passed by Congress at the last session.

Mr. COPELAND. Mr. President—

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from New York?

Mr. POPE. I yield.

Mr. COPELAND. When the committee heard the farmers, did the committee listen to potato farmers as well as wheat, corn, and other farmers?

Mr. POPE. I may say that all kinds of farmers were heard, those engaged in the growing of potatoes, those engaged in dairying, those engaged in fruit growing, or the production of any other agricultural commodity.

Mr. COPELAND. I have in my hand a letter from a citizen of my State and I wish to read just one or two sentences, because I want to know the answer. The writer of this letter says:

New York State farmers voted 14 to 9 in favor of the proposition—

That is the potato growers—

according to the Federal Government's report, but the fact is that probably not 3 percent of the farmers polled voted. They were too much disgusted with the proposition to do so. In Madison County, my own county, out of more than 200 farmers eligible only 7 cast a ballot, 6 being in favor.

The question I wish to ask is, When the committee heard farmers from my State, for example, what assurance did the committee have that the witnesses were really representative of the sentiment of the State?

Mr. POPE. The commissioner of agriculture of the State of New York was requested to extend an invitation to all farmers in his State, and to especially invite those whom he thought were particularly qualified to speak on any phase of the farming industry for the State of New York. In the hearings we did have a substantial number of potato growers present. I recall particularly those who came from Maine, but I think there were some from the State of New York. We had witnesses who were interested primarily in tobacco

growing in the Connecticut Valley. We had numerous representatives of the poultry industry and the dairying industry. I think almost every other phase of agriculture was represented at the hearings.

Mr. COPELAND. Is there not a provision in the bill as written for the exemption of 3-acre farms?

Mr. POPE. There are several parts to the bill. With reference to corn and wheat, about which I shall speak particularly today, there is no such exemption, but there is an exemption as to 300 bushels of corn and 100 bushels of wheat.

Mr. COPELAND. I am aware of that; but the Senator apparently is not familiar with exemptions so far as potatoes are concerned.

Mr. POPE. Potatoes are not included in the bill. There are no provisions in the bill with reference to potatoes, and no exemptions, of course.

Mr. COPELAND. Is not the same argument with reference to the exemption of potatoes an argument which would hold with reference to the exemption of corn and wheat?

Mr. POPE. It occurs to me that might be true, that it would be appropriate to make some exemption as to potatoes, although I have not studied the matter carefully.

Mr. COPELAND. I wish to ask the Senator one more question and then I shall take my seat. I notice that the bill on page 9 contains this provision:

The corporation is directed to make available loans on cotton and may make loans available on rice, tobacco, and all other agricultural commodities other than wheat, corn, or cotton.

Why are not potatoes included?

Mr. POPE. I should prefer that the Senator from Mississippi [Mr. BILBO] answer that question, because he offered that amendment to the bill. It occurs to me that language means what it says—that loans may be available on all types of commodities, but they would not be available under the schedules and provisions of this bill.

Mr. COPELAND. Then the language would include potatoes?

Mr. POPE. I assume so; but I should prefer to have the Senator from Mississippi, who offered that amendment, explain it to the Senator. I am not familiar with it.

Mr. COPELAND. Just one more thing, and then I really will stop.

On page 19, beginning at line 5, the bill reads:

Such contracts shall further provide that such cooperator shall engage in such soil-maintenance, soil-building, and dairy practices with respect to his soil-depleting base acreage—

And so forth. Does that mean that there will be an encouragement for those farmers who take wheat and corn out of cultivation to make use of the acreage not planted to those crops for the development of the dairy industry?

Mr. POPE. I am glad the Senator asked that question, because yesterday the Senator from Vermont [Mr. AUSTIN] asked the same question.

I will say to the Senator that so far as the farmers are concerned who participated in the preparation of the bill, their idea was just the reverse. They wanted some restriction upon those farmers in the matter of increasing their dairy herds and putting them on these depleted acres. Since there is now no limitation upon that, it was thought that the Secretary might properly restrict the increase of those herds by reason of the depleted acres.

Mr. COPELAND. The Senator realizes that in a great dairy State like mine it would be calamitous to have all the acreage no longer planted to other crops made use of for dairy development.

Mr. POPE. That is exactly why those farmers who were interested—and I will say to the Senator that dairy farmers participated—desired that some restriction be placed upon the increase of dairy herds by reason of the diverted acres. As the condition now is, the farmers could do exactly that thing.

Mr. COPELAND. Does the bill provide for such restriction?

Mr. POPE. No; it simply gives the Secretary power to make restrictions or regulations with reference to the matter.

Mr. COPELAND. Does the Senator get that idea from the language on page 19 which I have just quoted?

Mr. POPE. Yes [reading]:

Such contracts shall further provide that such cooperator shall engage in such soil-maintenance, soil-building, and dairy practices with respect to his soil-depleting base acreage diverted from the production of the commodity as shall be provided in his adjustment contract.

Mr. COPELAND. But to me that means that the contractor agreeing to limit his crop of wheat and corn might proceed, however, with dairy development.

Mr. POPE. All I can say is that that was the suggestion of the dairy farmers who were present as a means of restricting that very thing.

Mr. MCGILL. Mr. President—

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Kansas?

Mr. POPE. I yield to the Senator from Kansas.

Mr. MCGILL. Is not the interpretation to be placed upon this section simply this—that without section (b) in the bill the Secretary would have no authority to place in the contract any restrictions with reference to increasing dairy herds on acres taken out of production?

Mr. POPE. That is so.

Mr. MCGILL. But with that section in the bill the Secretary would have authority to restrict the farmers from using the acreage for the purpose of increasing their dairy herds.

Mr. COPELAND. Mr. President—

The PRESIDING OFFICER. Does the Senator from Idaho further yield to the Senator from New York?

Mr. POPE. I yield.

Mr. McNARY. Mr. President, may we have better order? There is so much whispering and so much conversation in the Chamber, and the Senator from New York speaks in such a low tone, that on this side of the Chamber it is impossible to hear what is being said.

The PRESIDING OFFICER. The Senate will be in order.

Mr. COPELAND. I may say for the benefit of my friend from Oregon that I am trying to find out whether or not the dairy interests are to be given new competition by this bill. I am now assured by the Senator from Kansas [Mr. MCGILL], as well as the Senator from Idaho [Mr. POPE], that the language of the bill gives the Secretary authority to protect the dairy farmers. I am frank to say, however—and that is what I rose to say—that if that is the purpose of the language, I think it should be restated in order that it may be made perfectly clear that restriction of acreage for the benefit of the wheat and corn farmers and other farmers is not to carry with it the almost sure result of an increase in the raising of cattle and a decline of the dairy industry.

Mr. McNARY. Mr. President—

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Oregon?

Mr. POPE. In a moment. I will say to the Senator from New York that if he desires to submit an amendment to make that more clear, I am sure the authors of the bill will be very glad to consider it with a view of carrying out the purpose he has indicated. This, as I understand, is the language suggested by the dairymen who took part in framing the bill. If the Senator can improve upon that language to carry out the purpose in view, I am sure there will be no objection.

Mr. COPELAND. But it is the purpose, is it, to make certain that this waste land or unused land will not be turned over to dairy development?

Mr. POPE. Yes. That is the reason why that provision was put in.

Mr. COPELAND. And is the Senator from Idaho in sympathy with that purpose?

Mr. POPE. Yes; I am.

Mr. McNARY. Mr. President—

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Oregon?

Mr. POPE. I yield.

Mr. McNARY. I am attracted to my feet by the observation made by the Senator from Idaho. It is possible that there is in the bill sufficient power for the Secretary not to expand the dairy business; but the provision to which attention was called yesterday by the able Senator from Vermont [Mr. AUSTIN] unquestionably gives the Secretary of Agriculture power to expand the dairy industry by using the diverted lands for dairy purposes. What he will do, I do not know. He has power to curtail; he has power to enlarge. I do not want anyone to have that power.

Referring now particularly to the section also spoken of by the able Senator from New York [Mr. COPELAND], I think the word "dairy" should come out of that section. I think as the language stands it is a permission, almost a direction, that the Secretary shall employ some of the lands diverted from corn and cotton and other so-called major crops to enlarging the dairy industry.

Will the Senator yield to me further?

Mr. POPE. Just a moment. With reference to the suggestion of the Senator from Oregon that the word "dairy" come out entirely, I desire to say that that certainly would leave the matter unrestricted, so that the man who did divert his acres could produce herds very much larger than he formerly had, and put them on these acres without any restriction, if that is what the Senator desires.

Mr. McNARY. Very well. We can cover that, if we can come to an agreement on the subject, by placing the negative term "not" before "dairy." Then it will not be possible to do what has been suggested.

May I add just one other word? I asked the Senator at the start of his speech if he would rather conclude before being interrupted. I should like to have him make as clear an analysis as he can of the bill; but I wish to ask him if we cannot agree on one proposition regarding the genesis of the bill and the hearings that were held, which have covered it but not completely.

Is it not true that the bill originated with one agricultural organization, namely, the American Farm Bureau Federation? Of that I have no criticism. It was first produced by them and presented to a conference, over which the Secretary of Agriculture presided, which was attended by members of two other large organizations which did not collaborate in framing the bill. This organization then sent out copies to all of their leaders in the various regions and sections of the country. That is correct, is it not? There is no doubt about that?

Mr. POPE. I do not know. I think they did send out some letters. We found a number of Farm Bureau members at the hearings.

Mr. McNARY. That, of course, was something they had a perfect right to do. When some hearings were held here in May on this unpublished and unintroduced bill, the only ones supporting the measure in its then form were members in some fashion of the American Farm Bureau Federation, save one individual who was their attorney. To that I have no objection. When the hearings were had—if they may be called hearings—in the Senate Committee on Agriculture and Forestry, the only group of farmers represented were the American Farm Bureau Federation. They sat there in so-called executive session.

Now, let us consider just one other thing in order to make the record complete.

When the subcommittee went out, composed of the able Senator from North Dakota [Mr. FRAZIER], the Senator from Idaho [Mr. POPE], and the Senator from Kansas [Mr. MCGILL], they performed a splendid service to agriculture. Those men are entitled to all the commendation that words from any eloquent voice will carry. They did their work well. We have no record of what transpired at the hearings; but by one of the members of the subcommittee I am advised that most of those attending and supporting this measure were members of the American Farm Bureau Federation, of which I have no complaint. Members of the

National Grange in the States and the Farmers Union opposed the measure, as I think the record would disclose if we could have the record, which, however, is denied us.

As to the hearings—and I mentioned this matter before the committee—I wanted the hearings recorded; but, for some reason or other, they were not recorded. When the subcommittee came to the West, they stopped at Spokane, Wash., which is on the eastern boundary of the State of Washington, and is in what is called the semiarid section of the West. The subcommittee was 500 miles away from the fertile lands of the Pacific coast. They did not enter the State of Oregon or the State of California. Anyone familiar with the geography and climate of the great Pacific coast country, and knowing where the population resides, must know that the portions rich in agricultural production, and the areas most thickly populated, and where there is greatest activity, are west of the Cascade Mountains, from the Canadian line, following the contour of the Sierra Nevada Mountains, to the southern part of California, or Mexico. In that vast territory is found the diversified farming of the West. That is where 90 percent of the farmers are employed, where we find 75 percent of the taxpayers of that section of the country, and where 72 percent of the agricultural commodities are produced. Not a hearing was held in that section to ascertain what was raised there.

Was there any effort on the part of this committee to ascertain what the fruit man wanted, what the great poultry industry, one of the largest interests on the coast, wanted, what the butter man, the hop man, the flax man, the pear man, the apple man, the hay and potato men wanted, the production of the latter commodities being great industries in agriculture in that section of the country? Not one of those interests had an opportunity to be heard. It is true that Mr. Zimmerman, from my State, an able man, representing the National Grange and the Farmers Union, went to Spokane and protested against the bill. There were one or two others, members of the American Farm Bureau Federation, who appeared. But practically no voice has been heard from that part of the country, which produces a larger income from agriculture than all the intermountain States combined. No hearings were held in that area. Therefore, we have no record today of how those people feel about the bill, and their views would be undisclosed, but I hope some day to express them, regarding the provisions of the bill.

When we came to the committee—

Mr. POPE. Mr. President, I want to be generous in yielding, but if the Senator is going to take a great deal of time I should like to proceed.

The PRESIDING OFFICER. The Senator from Idaho is the master of his own time.

Mr. McNARY. I am merely giving what I call a portrait to keep on the walls of our memories as against that of the Senator with regard to the hearings. I had just about concluded. I appreciate very much the courtesy extended to me by the Senator from Idaho.

Mr. SCHWELLENBACH. Mr. President, will the Senator yield?

Mr. POPE. I will yield in a moment, but I wish to make one statement in reply to the Senator from Oregon.

We might as well clear the matter of the hearings up now. The hearings of the subcommittee which went west had to do with wheat and corn, the only two commodities mentioned in the bill. There is nothing in the bill in connection with dairying or fruit growing or the raising of any other commodity except wheat and corn.

We knew that Spokane was in the very heart of the Northwest wheat area. And in order to accommodate the wheat growers in Utah, western Wyoming, and southern Idaho, and the livestock men who were interested in the wheat situation in Nevada and contiguous territory, a hearing was held at Boise, Idaho.

With reference to those who attended the hearings, I obtained a list from the commissioner of agriculture of each State, and the deans of the agricultural colleges, and sent

personal invitations to all those people to attend. I sent a request to the president of every farm organization to be present and to testify if he desired to do so, and to invite any other farmers he might choose to invite. So it was our purpose to and we did invite farmers as widely as we could, with notices in the newspapers to all farmers who desired to be heard, and on occasions over the radio announcements were made inviting farmers to be present and to speak if they desired to do so.

Mr. McNARY. Mr. President, will the Senator yield at that point?

Mr. POPE. In just a moment. We attempted to be just as fair as we could be with reference to those hearings in the West.

The reason why we did not go to the Pacific coast was simply because in California and in western Oregon there was not the great production of wheat or corn that appeared in the intermountain area and that neighborhood.

Mr. McNARY. Mr. President, will the Senator yield?

Mr. POPE. I yield.

Mr. McNARY. Then the mission of the Senator and his committee was simply to inquire of the farmers what people thought about wheat and corn. I thought the committee was appointed to explore and study the agricultural problem.

Mr. POPE. I will say to the Senator that since the bill which had been introduced and since the resolution, as we interpreted it, had to do with the commodities of which a considerable quantity was exported, we attempted to hold the hearings where the wheat farmers and corn farmers principally could express themselves; but, at the same time, all farmers were invited.

The Senator speaks of fruit growing and other agricultural pursuits in his State. There were fruit growers from Washington who definitely represented groups of growers. There were representatives from the Senator's own State, both at Spokane and at Boise. I distinctly recall a very considerable number of farmers from Oregon over at Boise, all of whom had an opportunity to testify, and most of them did testify. At Spokane we had a considerable number of farmers present; at any rate, they were all invited, and we did the best we could, so far as hearings were concerned.

Now I yield to the Senator from Washington.

Mr. SCHWELLENBACH. I call the Senator's attention to page 19, the provision with reference to dairy practices. I may say that when I read the words "dairy practices" my first-blush impression was the same as that of the Senator from Vermont, as expressed yesterday, and that of the Senator from New York. I recognize the distinct desirability of the provision where that expression occurs, and I cannot agree with the Senator from Oregon at all that the language should be stricken from this provision of the bill, but I am wondering whether or not the authors of the bill would be willing to accept an amendment in this language on line 7, page 19, striking out the words "dairy practices" and inserting the words "restriction of dairy operations."

Mr. POPE. Mr. President, so far as I am concerned, I think there would be no objection to that amendment, but I should prefer to have the Senator delay offering it until the committee amendments have been disposed of, in order that we may have an opportunity to give it some further study. That is the exact thought I had in mind and expressed to the Senator from New York a few minutes ago.

Mr. COPELAND. Mr. President, I add my plea that the Senator from Washington defer his request, because I want to talk with the Senator about this.

I am very anxious indeed that language be chosen to make certain that the dairy interests as now operated may be protected, and therefore, from my standpoint, I should like very much to confer with the Senator from Washington, or anyone else, because as the language appears I am convinced that the dairy industry is not protected, and it certainly should be.

Mr. AUSTIN. Mr. President, will the Senator from Idaho yield to me?

Mr. POPE. I yield.

Mr. AUSTIN. I will ask the Senator in charge of this matter if he will not defer decision on the request until later, so that others who are likewise interested in this particular aspect of the bill may confer with him.

Mr. POPE. I have already made that suggestion myself, that the Senator from Washington defer offering such an amendment in order that it might be studied.

Mr. LOGAN. Mr. President, will the Senator yield?

Mr. POPE. I yield.

Mr. LOGAN. Getting away from the immediate matter the Senator has been discussing, I wish to ask him one question which interests me. I took the bill home with me and read it, and I think it is a good bill; but I want to be satisfied as to what final disposition may be made, under the provisions of the bill, of the impounded surpluses which must exist in connection with the ever-normal-granary features of the bill.

Mr. POPE. I hope the Senator will be content with a very brief statement of that matter now, because I expect to go into the subject when I reach the provisions dealing with the establishment of an ever-normal granary and the establishment of marketing quotas. It would be better to raise the question when we reach those provisions. I will say to the Senator, however, that the purpose is that when the normal supply of a commodity has been exceeded, an ever-normal-granary provision will go into effect, whereby the surplus up to 10 percent above the normal supply will be impounded in connection with loans. Then, if the surplus exceeds 110 percent, the farmers will have an opportunity to vote on a referendum as to whether there will be marketing quotas. If the Senator has read the bill carefully, he will remember that if marketing quotas are imposed there are provisions that even the noncooperators, as well as the cooperators, must the following year, reduce their yield so as to relieve the ever-normal granary of excessive surplus.

Mr. LOGAN. I am satisfied to let the matter rest until the Senator reaches it in order; but I want to be sure that there will not be a piling up of surpluses that must be disposed of by the National Government in some way that will protect farm prices. Something will have to be done with the surpluses without putting them on the market so that they will compete with the normal crop.

Mr. POPE. Mr. President, I shall deal with that matter when I reach the subject, and shall point out to the Senator such restrictions as are contained in the bill to prevent the situation he mentions.

Mr. DUFFY. Mr. President—

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Wisconsin?

Mr. POPE. I yield.

Mr. DUFFY. Reverting for just a moment to the discussion with reference to the dairy interests, was any consideration given by the committee to the thought that in these soil-conserving practices, unless there were some restrictions, the land and the area taken out of production of other crops, for which benefits would be given, would very likely be used for the production of dairy products? In other words, as the bill is framed, on page 19, it would seem to make it an object for farmers who had taken their land out of the production of other crops to go into dairy production, and give competition to those who are already engaged in that production.

Mr. POPE. I can only say, as I said before, that the purpose was to give the Secretary of Agriculture power to impose in the contract restrictions upon that very thing. It has been suggested by some Senators that more specific language should be used in order to accomplish that purpose. However, the purpose was to create a restriction, because without anything dealing with that matter in the bill or in the contract that may be entered into, there would be no restriction. The farmers then could do the very things that the Senator from Wisconsin fears.

Mr. SCHWARTZ. Mr. President—

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Wyoming?

Mr. POPE. I yield.

Mr. SCHWARTZ. If it is the purpose to specify dairy products in a restrictive sense I am wondering whether the Senator and the committee would be inclined to mention stockraising and the production of veal and mutton? We are rather apprehensive that a great deal of land turned over to the production of forage might occasion detriment to the livestock men in general.

Mr. POPE. I will say to the Senator that if he has fears about the increase in the number of livestock, he might collaborate with Senators interested in dairying in perfecting language to cover that matter. It certainly is not the purpose of those who drafted the bill to encourage the production either of dairy herds or beef herds in connection with what is sought to be accomplished by the measure.

Mr. LEE. Mr. President—

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Oklahoma?

Mr. POPE. I yield.

Mr. LEE. I desire to ask a few questions on the general policy of the bill. Did the committee find opposition to production control? Yesterday the chairman of the Committee on Agriculture and Forestry stated that much interest was found in production control. Did the committee find much objection to production control?

Mr. POPE. I will say to the Senator that my judgment is that 90 percent, if not 95 percent of the witnesses who testified before the committee were in favor of some form of production control, but there was difference of opinion among them as to how it should be accomplished.

Mr. LEE. The general policy, then, of raising the farm price is by cutting down the production, so that the law of supply and demand will raise the price? Is that the general purpose?

Mr. POPE. That is the purpose.

Mr. LEE. In that regard, did those who protested offer a constructive program on the other side by what is known as the domestic allotment plan? May I have enough time to explain that? That is, that the amount of the crop that is used in this country be determined and on some fair basis each farmer be allotted the amount of the domestic crop that he can produce, on which he will be guaranteed, let us say, a fair price, and then allow him to be his own judge as to the amount he raises above that; but he must take the world market price for the additional crop he produces. In other words, give him an outright subsidy in return for complying with the soil-conserving policy laid down by the Government. Did the committee find any support for that plan?

Mr. POPE. Yes; a comparatively small amount of support was received for that sort of proposal. I will say to the Senator that at Sioux City, Iowa, where about 7,000 farmers were in attendance at the committee hearing, and 101 farmers testified, one of the reporters kept a record of the stand taken by the witnesses on these various measures. Sixty-five of the farmers who testified were generally in favor of the provisions of the joint resolution and the bill which the Senator from Kansas [Mr. McGINN] and I introduced. Fifteen were for a price-fixing proposal, sometimes mentioned as the McAdoo-Eicher bill. The rest were either against any sort of legislation or were vague as to what they thought ought to be done.

Mr. LEE. Mr. President, I favor the domestic-allotment idea. There must be some good answer to or some good reason against the plan; otherwise the committee would have introduced a little more of that idea into the bill when they wrote it. I should like to have the Senator from Idaho in his own time, when he gets to it, give an answer concerning that proposal. The plan provides for allotting to the farmer a fair quota, and guaranteeing to him a fair price on the part of his production that we consume in this country, and call it a subsidy, in return for his complying with the soil-conserving policies laid down by the Government. That appeals to me as being a simple way of handling the situation.

In connection with questions upon a point which seems to concern Senators, about land that is being taken out of cultivation with respect to some crops, and being placed in cultivation for feed crops, which will mean more dairy competition, let me give an illustration. Take, for instance, a steel company. It can determine today how many tons of steel it will produce a year from today. The farmer, however, cannot. If we provide for domestic allotment, the farmer will get what we want him to get, that is a fair price. I do not believe it will cost us any more to do it in that way than in any other way. It will give us a greater exportable surplus with which to reclaim our slipping foreign markets. I notice that always the last bale of cotton produced pushes the first one off into the ocean.

Somehow or other the world ought to be able to come to a sensible idea of dividing up the markets in a way that will give everyone now a part according to the part he formerly had of the world's market. If he has not formerly had any part, he will not now receive any. Today we can sell our cotton, I think, if we push hard enough on it. Other countries want our cotton. If we could persuade 400,000,000 Chinese to lengthen their shirt tails, China would absorb our cotton. If they bought our cotton, we would get their money in exchange for our crops. I should like to have the Senator make answer in his own time. I will say to the Senator that I intend to support the bill.

Mr. POPE. Mr. President, from one end of the country to the other I have heard arguments that were almost as good as that made by the Senator with reference to the cost of production—price-fixing program. Without now giving my answer to that proposal, I may give some of the arguments that were developed with reference to it. For instance, if you fix the price of cotton at 20 or 25 cents per pound, based upon whatever might be found to be the cost of production, and let that apply to your domestically consumed cotton, some 6,000,000, 7,000,000, or 8,000,000 bales, you would have 11,000,000 or 12,000,000 bales to export, and in order to protect your domestic market a high enough tariff would have to be established to keep out all other cotton and prevent it from coming into competition. The same would be true of wheat and the same would be true of any other commodity upon which a price was fixed on the domestically consumed portion. That is one argument which was developed by witnesses in the course of our discussion.

In the second place, it was frequently pointed out by the witnesses that the difficulty of arriving at what is cost of production was perfectly apparent, and if you should arrive at an average cost of production, then those who could not produce at that cost would have to sell at less than cost of production, anyway, and that would be distressing to a large number of farmers.

Another thing we developed was that if you fix a price on the domestically consumed portion of the farm crops it would almost be necessary to fix the price on the manufactured commodities in order to keep the cost of production in balance, because an increase, say, of 20 or 25 cents in cotton, or of \$1.50 in wheat, for the domestically consumed portion of the crop, would probably cause an increased cost to the consumers of manufactured and processed commodities, which would again make it necessary to increase the price of the farm products, and then the price of manufactured goods would go up again and we would have a spiral the end of which could not readily be seen.

Those are some of the objections and arguments which were developed throughout the country in discussing this matter with farmers. After a discussion of that as well as, I think, of every other bill that was before the Congress, those who favored that bill represented, I should say, from 5 percent to 10 percent of those who attended the hearings. Whether that was representative of the entire country or not I have no way of knowing, but I think that is a fair statement of what developed at the hearings with, I think, a fairly representative group of witnesses.

Mr. LEE. Mr. President, will the Senator yield further?

Mr. POPE. I yield.

Mr. LEE. The Senator has in mind a different proposition than that of which I was thinking. I did not have in mind the fixing of the price at all. Let us say suppose that the price of cotton is 7 cents a pound and the farmer is allotted a thousand pounds of lint cotton on which the Government will guarantee him a fair price. There again I do not say "cost of production"; let it be parity or whatever other name may be applied. A fair price can be arrived at, I presume, and for argument's sake, let us say that 16 cents would be a fair price for cotton, it being 7 cents now. The Government would then have to pay the farmer a bounty of 9 cents a pound on a thousand pounds of lint. When he takes his ginning certificate into the county agent or the postmaster or whoever is supposed to handle the matter, and shows that he has ginned a thousand pounds of lint, the Government gives him a check—call it a subsidy—for that amount. Then the Government is through with it. The Government does not fix the price. The farmer can take that cotton down the street and sell it; he can take it home and put it in a shed and store it or he can put it in a cooperative pool. The crop, after that, will follow the natural laws applicable to any commodity without any price being fixed; the law of supply and demand will operate upon it.

It is an outright subsidy and it is an offset to the subsidy industry has enjoyed for 150 years in the form of a tariff which the people have been paying. It would not cost, I believe—and I have some figures here to show that to be so—any more than would the proposed plan. It is not a price-fixing scheme; it is determining what is fair, and giving the farmer a bounty on the part that he contributes to the amount to be used in this country. The simplicity of the plan would restore to the farmer the feeling that he is lord of all he surveys, and he could raise what he wanted to raise. I think no farmer who raises cotton and knows how many backaches that are in a bale of cotton is going to put in cotton that he would have to sell at 7 cents, after he had had a reasonable amount allotted to him.

Such a plan would provide the ever-normal granary in a manner that would be really helpful. Store any commodity in great quantities and it is going to have a depressing effect on the market, no matter what we do; but let there be stored in small quantities in the farmers' sheds and in their barns all over the country cotton or wheat, or whatever it is, and we have the ever-normal granary. The farmer can store it and wait for the price to increase, because he has received his bounty check which will tide him over and which is equivalent to or better than a loan. So we would have the ever-normal granary and it would be spread out and would not have the same depressing effect on the market. I thank the Senator.

Mr. POPE. I am very glad to yield to the Senator. Let me say to him that I think the Department of Agriculture has made some estimate of the cost of the plan he has suggested, and I have on my desk a statement to the effect that the cost would be about \$1,000,000,000 a year.

Mr. LEE. Is not that what the plan proposed by the bill would cost?

Mr. SHIPSTEAD and Mr. TYDINGS addressed the Chair. The PRESIDING OFFICER. Does the Senator from Idaho yield; and if so, to whom?

Mr. POPE. I think the Senator from Minnesota requested me to yield some time ago, and I yield first to him.

Mr. SHIPSTEAD. Mr. President, it seems to me there is some confusion of terms in discussing the bill. As I understand the bill, it is not a measure for control of production. I think the bill recognizes the futility of controlling production, in view of the experience we have had in controlling production in the past. We cannot control production because we cannot control the weather.

In the case of the cotton crop, with 10,000,000 acres less planted to cotton than last year, there has been produced this year the largest cotton crop, with one exception, in the history of the country—something like 18,000,000 bales.

As I understand, the bill anticipates a surplus. It is an effort to control surpluses, and such control is compulsory. The so-called normal granary anticipates a surplus; it could not be provided without having a surplus. It seems to me that we have been assuming in the discussion that this was a crop-control bill; and I want to make it clear that my understanding of the committee's view is that we are through with crop control; we recognize its futility. So, this is a surplus-control bill, as I understand it. Does the Senator from Idaho agree with that point of view?

Mr. POPE. Not entirely. The bill does possess some distinct acreage-control features; it is not entirely a marketing bill.

Mr. SHIPSTEAD. It is an attempt to control.

Mr. POPE. It is a combination of acreage control, production control, and marketing control, with the emphasis, however, upon marketing control so far as corn and wheat are concerned, but so far as cotton and rice and tobacco are concerned, I understand distinctly that production control applies after a referendum has been held by the farmers.

Mr. TYDINGS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Maryland?

Mr. POPE. I yield.

Mr. TYDINGS. I should like to say to the Senator from Idaho that I have already talked to him and to other members of the committee about a phase of the bill to which I will address myself. It has nothing to do with the acreage or control, but as to the method of accomplishing that in one particular I should like the Senator to be familiar with the point, because, in my judgment, the provision which I have in mind might endanger the standing of the bill at some later time after it shall be passed.

The bill as written provides that the Secretary of Agriculture in certain given instances shall fix quotas; that 30 days after he fixes such quotas he shall take a referendum of the farmers affected thereby; and if more than one-third of the farmers affected thereby vote against the imposition of the quota the Secretary shall then immediately rescind the quota order.

The philosophy of that provision is kindly, and it is well intended; but it seems to me we get into the position that Congress first delegates its power to the Secretary of Agriculture to do certain things, which is all right; but then it further takes from the Secretary of Agriculture the right to move within a certain radius and makes his act bottomed upon the vote of a group of farmers of the country. In my judgment the law cannot remain that way and be good. For example, if a third of the farmers, or 40 percent, to illustrate, vote against the imposition of a quota, the Secretary then has to act. I doubt very much whether a group of farmers can determine the policy of the United States Government.

I suggest that the same thing can be accomplished and the objection I have eliminated if this be done: After the Secretary imposes the quota restriction, let the referendum be had exactly as provided for in the bill, but, instead of having a referendum of a part of the farmers direct the Secretary of Agriculture to take certain steps, let it be only by way of suggesting he may or may not take them, for we all know that if any large number of farmers affected by the quota system do not want it the Secretary is not going to insist on imposing the quota.

My point is that now a small group of farmers can tell the Secretary of Agriculture what the law is, and I doubt very much, with all due respect, whether that would stand up before the courts.

Mr. POPE. Mr. President—

Mr. TYDINGS. Just a moment more, and then I shall have finished. For example, we cannot pass a labor law and allow a certain group of laborers to say whether the law is good or bad. We cannot pass a prohibition law and allow only the preachers to say whether the law should go into effect or not go into effect. I doubt very much whether we can pass a law and provide that a small segment of the people of America can say it is a good law or a bad law according to their votes.

I suggest that we can accomplish the same object by in-direction; and I want the Record to show what I think is a glaring defect in the bill, so that those interested will attempt a solution along some other line.

Mr. POPE. I will say to the Senator that I expected to get to that problem, of course, but have not as yet reached it. There is no doubt that there is an interesting and doubtful legal question involved with reference to the matter of referendums. I will call the attention of the Senator to the fact, however, that in the bill the Secretary is given authority by the Congress by proclamation to impose marketing restrictions, and the referendum would have the effect of suspending such operations. I do not mean to say that that meets the objection of the Senator, but that thought was in our mind at the time the provision was prepared, and later in the discussion, perhaps by the Senator from Alabama [Mr. BANKHEAD] or the Senator from Kansas [Mr. MCGILL], the authorities will be presented with reference to that matter. I think there is some doubt about it, but there are some very substantial authorities that might tend to uphold the form in which the bill is now drawn.

Mr. TYDINGS. Mr. President, will the Senator yield further?

The PRESIDING OFFICER. Does the Senator from Idaho yield further to the Senator from Maryland?

Mr. POPE. I will yield briefly.

Mr. TYDINGS. It may be authorities will sustain the bill as now written. Personally I have not looked at any of them. The point I wanted to leave with those interested in the bill is that, in my judgment, they can accomplish the same thing the bill now provides shall be accomplished, but in such a way that the entire question will be eliminated, by providing that the Secretary shall take his referendum and he may or may not take certain action, which would leave the discretion in him and not in the farmers.

Mr. POPE. I thank the Senator for his suggestion. If he would be good enough to prepare an amendment along that line, I think it would be helpful to those in charge of the bill.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Colorado?

Mr. POPE. I will yield very briefly, because I am unable to proceed in the face of such constant interruption and yielding.

Mr. JOHNSON of Colorado. The Senator is discussing the general provisions of the bill, and I desire to ask this question before he goes into the details of the various portions of the bill. He has stated that one of the important objectives of the bill is to place a ceiling on the price of farm commodities; that is, one of the great objectives is to see that farm prices shall not go too high. The question I wish to ask the Senator is, When were the prices of cotton, wheat, corn, tobacco, or rice too high? When were those prices too high as caused by short crops?

Mr. POPE. Of course, no direct answer can be made to the question. Whether the prices are too high or not would depend on the person dealing with the matter. The consumer might think they were too high, and the producer might not think so.

Let me give the Senator an illustration of what may happen. It occurred in Iowa and was brought out in the hearings which we held at Sioux City. It appeared that because of a shortage of corn in Iowa last year the price of corn went to \$1.30 or possibly as high as \$1.40 a bushel. Then corn had to be imported from Canada and Argentina in order to save the stock of the farmers even in Iowa. It might occur that the prices of farm commodities would go so high that they would not be of benefit even to the farmers themselves.

Mr. JOHNSON of Colorado. Does the Senator from Idaho think the price was too high?

Mr. POPE. I know it certainly is not too high now, because it is only about 56 cents in the central markets.

Mr. O'MAHONEY. Mr. President—

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Wyoming?

Mr. POPE. I yield.

Mr. O'MAHONEY. I am very much interested in the response which the Senator from Idaho just made to the Senator from Colorado. As I recall, the question was, When would the prices of these commodities be too high? The Senator from Idaho said that would depend upon the judgment of the person dealing with the matter.

Mr. POPE. Yes.

Mr. O'MAHONEY. Have I stated his answer correctly?

Mr. POPE. Yes; dealing with it in the sense of buying or selling it.

Mr. O'MAHONEY. The Senator does not mean that it would depend upon the judgment of the person who was administering the commodities?

Mr. POPE. Not at all. Of course, I was answering the question of the Senator from Colorado to the effect that the consumer might think the price to the farmer was too high, whereas the farmer himself might think it was too low.

Mr. O'MAHONEY. If I understand the question of the Senator from Colorado, it was designed to elicit information as to when the bill itself would come into operation because the price was too high.

Mr. POPE. What we are aiming at, of course, is parity price. It is assumed in the bill that by balancing production or supply with demand, it would result in a parity price, which every Senator understands.

Mr. O'MAHONEY. Does the bill itself definitely fix that standard?

Mr. POPE. Fix it in what sense? I do not understand the question.

Mr. O'MAHONEY. As to what the price would be when the marketing control would go into effect. Who is to be the judge?

Mr. POPE. The bill has definite provisions with respect to that matter. If the commodity is at a parity price, no ever-normal granary can be established; and no marketing quotas can ever be established so long as the commodity remains at parity price. If it falls below parity price then the regulations and machinery set up in the bill would apply.

Mr. HATCH and Mr. O'MAHONEY addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Idaho yield; and if so, to whom?

Mr. POPE. I will yield now to the Senator from New Mexico.

Mr. HATCH. I merely desire to call attention to the definition of "parity," found on page 65, and to say that I think Senators will find the definitions throughout the entire bill do specify certain fixed and definite standards as to all these matters and that they are not left to the discretion of the Secretary of Agriculture. I think that is the answer to the Senator from Wyoming.

Mr. O'MAHONEY. The thought I had in mind at the moment had to do with the effect of the bill upon the livestock industry, which, of course, is of great importance to the State represented in part by the Senator from Idaho [Mr. POPE], as well as my own State. As I read the bill it does not offer any such advantage to the livestock industry, so to speak, as was recommended by the Department of Agriculture.

Mr. POPE. Until parity price is reached, any stored grain cannot be released from the granary; but the Senator will find in the bill that as soon as parity price is reached release of stocks may be made immediately by the Secretary of Agriculture and the commodities thrown into the channels of trade.

I may say further to the Senator from Wyoming that any number of livestock men testified before the subcommittee, and generally they would make the statement that they preferred an even, normal flow of grain and feed into the market at a reasonable price to the ups and downs caused by surpluses and shortages of feed. That was also true of the poultry people who testified in New York City. I think the clear weight of the testimony at the hearings as given by

stockmen, poultry raisers, and other consumers, was to that effect.

Mr. O'MAHONEY. The bill provides on page 65:

"Normal year's domestic consumption" shall be the yearly average quantity of the commodity produced in the United States that was consumed in the United States during the preceding 10 marketing years.

Then on page 66—

Mr. POPE. I think the Senator should finish reading the definition because it is extremely important, in that it provides that it shall not only apply to the preceding 10 marketing years, but it may be "adjusted for current trends in such consumption."

Mr. O'MAHONEY. Yes; but by whom is it to be adjusted?

Mr. POPE. By the Secretary of Agriculture, who administers the bill, or by the corporation which is established. I do not now recall which.

Mr. O'MAHONEY. Does the Senator understand that through the phrase, "adjusted for current trends," the Secretary has the complete power to set aside the average for the 10 years previous?

Mr. POPE. I would say not. I think a fair interpretation of the bill would be that the 10 marketing years would be the fixed definite feature of the matter, and that he would have some discretion to adjust it "for current trends in such consumption." For instance, we found repeatedly that in a State or in a section consumptive demands decreased and in other sections consumptive demands increased. In southern Missouri more cotton is now raised than ever before—

Mr. O'MAHONEY. So it is altogether a flexible discretion?

Mr. POPE. And less tobacco is raised than ever before.

Mr. O'MAHONEY. Is it altogether flexible?

Mr. POPE. To a reasonable extent.

Mr. O'MAHONEY. On page 66 we find the second part of the definition:

"Normal year's exports" shall be the yearly average quantity of the commodity produced in the United States that was exported from the United States during the preceding 10 years, adjusted for current trends in such exports.

Then, on page 67, we find the provision that—

The normal supply for the following agricultural commodities shall be—

And then, going down to corn, which is the commodity in which I am immediately interested, we find the provision that—

a normal year's domestic consumption and exports—

Is what is defined in the bill as the normal supply.

I ask the Senator whether it was not recommended by the Department that there should be a cushion there, and that there should be added from 5 to 7 percent.

Mr. POPE. Yes.

Mr. O'MAHONEY. Why was not that recommendation of the Department adopted?

Mr. POPE. In the opinion of a number of farm leaders, and I think in the opinion of the members of the Agricultural Committee, which considered the matter, it was more important that the ever-normal granary get into operation and that marketing quotas be placed in operation so as to tend to bring up the price, than it was to have a cushion of 5 percent of corn in making up the normal supply.

Mr. O'MAHONEY. What does the Senator believe would be the effect of the provision now included in the bill, against the recommendation of the Department of Agriculture, upon the livestock industry of the West?

Mr. POPE. I have not given careful thought to the question of the full result. It has occurred to me that with the amount of corn now on hand there would be sufficient, with the exports and normal consumption, because the amount consumed for feed is already included in the domestic consumption, and that is averaged; so it had not occurred to me that one would need to fear a shortage of corn feed for

the livestock in the Northwest. If I am wrong about that, of course, I should like to know it; but, since the normal supply takes into consideration very fairly, it seems to me, the needs of the stockmen and all other consumers, the cushion may not be necessary.

Mr. O'MAHONEY. Does it not appear to the Senator that it might be wiser, at least from the point of view of the stock-raiser, that there should be here a cushion which is not now in the bill, but which was recommended by the Department, so that the restrictive discretion of the Department should not be invoked before the price should become too high?

Mr. POPE. I think I have answered the question from my standpoint to the best of my ability. I have not yet realized the necessity of the cushion. Personally I should not object to placing in the bill such a cushion.

Mr. JOHNSON of Colorado. Mr. President—

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Colorado?

Mr. POPE. I will yield very briefly, but I desire to get along.

The PRESIDING OFFICER. The Senator from Idaho has control of his own time. If he does not desire to yield, he need not do so.

Mr. POPE. I yield to the Senator for a question.

Mr. JOHNSON of Colorado. I wish to clarify the question I asked. Naturally the seller always thinks the price is too low.

Mr. POPE. Oh, yes.

Mr. JOHNSON of Colorado. And naturally the buyer thinks the price is too high.

Mr. POPE. Yes.

Mr. JOHNSON of Colorado. Is not the whole theory of the bill to clothe the Secretary of Agriculture with power to fix the price between the buyer and the seller through the ever-normal-granary scheme? Is not the ever-normal-granary scheme simply a method whereby the Secretary of Agriculture shall fix the maximum price of these farm commodities?

Mr. POPE. The Senator from Colorado is entirely mistaken about that. The element of price is, of course, an important feature; and it is hoped that through this program the price may be raised, adjusted, and made uniform. There is, however, another important element, and that is that there shall be an ample supply on hand for domestic consumption, so that the price shall not go unreasonably high because of a shortage which will enable imports to come into the country. So the Senator is not correct in saying that the measure gives to the Secretary power to fix a maximum price upon farm commodities. He is mistaken about that.

Mr. JOHNSON of Colorado. If the Secretary may turn loose the surplus at any time he wishes to do so and at any time he thinks the price is too high, and it is within his discretion to do that, how does the Senator contend that he cannot fix the price?

Mr. POPE. Again the Senator has completely misread the bill. The Secretary has no discretion in the matter. If the price reaches parity he is under obligation to release such portion of the crop as he may think is desirable; but he cannot release it before the product reaches parity price, and after it reaches parity price he is under obligation to do so. The effort is made to keep the price at parity for the sake of the consumers as well as the producers of commodities.

Mr. BARKLEY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Kentucky?

Mr. POPE. I yield.

Mr. BARKLEY. In that connection, if I understand the theory of the bill, it is that by regulating to some extent, if not the production, at least the sale of farm commodities when there is a surplus, which otherwise might be unsalable, over a period of years the adjustment of production to consumption will be such that the law of supply and demand itself will fix the prices, the law of supply and demand of course being aided or abetted by the process of leveling off the production and consumption of these products over the period contemplated.

Mr. POPE. Exactly. Let me remind the Senate of the fact that in 1933, at the beginning of this administration,

the country was faced with a surplus of about 400,000,000 bushels of wheat and about 12,000,000 bales of cotton. The prices were unusually low, so that the attention of the Senate and the country was directed to the fact that surpluses should be reduced. We found that there were a few persons who could not see any connection between a surplus and the price of a commodity, but nearly every farmer who testified could see that connection very clearly. So the Agricultural Adjustment Act was passed, dealing with the matter of surpluses.

Since there had been good crop years for a long period of time, the matter of surpluses was in the minds of the Congress and of the people of the United States; but it was found that not only did we have to deal with the matter of surpluses but we had to deal with the matter of supplies, because a series of drought years in the corn area and the wheat area not only reduced those surpluses but, in the case of corn, actually brought about a shortage of corn.

So, as a result of that experience in dealing with this matter, the idea was conceived of storing quantities of commodities that would be available for use in short years. As the witnesses frequently said in the hearings, we are attempting to go back and do what Joseph did in Biblical days by storing up in fat years quantities of grain for the lean years, and we are attempting to do here by legislation what every prudent farmer probably would do. So the Senator is right in that respect.

Now, let me go on.

Mr. COPELAND. Mr. President, will the Senator let me say a word just here?

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from New York?

Mr. POPE. I yield to the Senator from New York.

Mr. COPELAND. I should like to say to the Senator from Colorado [Mr. JOHNSON] that while I am not enthusiastic about this bill by any means, I think on page 12 an effort is made to safeguard the consumer, in case the price goes above the parity price, by providing that certain things must be done by the Secretary to reduce the price.

I say once more, as I have said heretofore, that I do not think the language was very well chosen; but I think the intent is here to give the protection which certainly the consumer is entitled to have.

Mr. POPE. Mr. President, earlier in my statement I called attention to the necessity for this sort of legislation. I referred to the fact that as early as February of 1937 a conference of farm leaders was held to attempt to bring about certain legislation which would meet the agricultural situation in the country. I now desire to give to the Senate the effect of the surpluses accumulated during the year 1937.

Mr. ADAMS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Idaho yield to the senior Senator from Colorado?

Mr. POPE. I yield to the Senator for a question.

Mr. ADAMS. The inquiry may have been answered; I did not hear all of the debate; but on page 65, in the definition of "parity"—which is a very important term in this bill—the first clause seems to be reasonably clear, and establishes parity upon the basis of the relative purchasing power of the commodity at a certain time and at the present time. I wish the Senator would explain to me, however, the purpose and effect of the subsequent clause, which says:

And which will also reflect current interest payments per acre on farm indebtedness secured by real estate and tax payments per acre on farm real estate, as contrasted with such interest payments and tax payments during the applicable base period.

It seems to me that in the first half of the paragraph there is set out a definite standard. There is added, however, a clause which in some way is going either to add to or detract from that standard. That is, two other elements are put in, and the bill provides that the parity price shall reflect these things; and I am wondering just what is meant by the term "reflect." If it is going to have any effect at all, it is going either to raise or to lower the parity price established by the initial definition.

Mr. POPE. The Agricultural Adjustment Act was amended in 1935 by adding the language contained in the amendment to which the Senator has referred, and since that time calculations of parity have been made on the basis of the entire definition which now includes the amendment. Rather than again change the definition of "parity," or the practice of calculating parity, the committee thought, I believe, that it would be wise to confirm the action of Congress in 1935, when that full definition was established by law.

Mr. ADAMS. I am conscious of that, but I have still a somewhat inadequate comprehension as to what the effect of the clause would be, and how it could be operated.

Mr. POPE. The Senator can see at once that the comparison between taxes paid in 1914 and 1937 would be an element that would enter into the fair exchange value, as would the amount of interest paid on the indebtedness. Generally it is found that taxes are considerably higher now than they were in 1914, and that interest is lower. As a net result, I am told by department officials, parity would be slightly higher under the full definition than without the amendment to which the Senator has referred. But the thing which influenced the committee more than anything else, I think, is that there is a very slight difference, and it has been calculated in that way since 1935, when the Congress itself amended the definition to the way it now appears in the bill.

Mr. ADAMS. If the Senator will permit me another statement, a bushel of wheat has the same purchasing power regardless of the taxes paid by the farmer who produces it or regardless of the interest he pays. In computing these things, is the Senator taking the average interest and the average taxes paid all over the country, or is he giving some consideration to the status of an individual community or an individual farmer?

Mr. POPE. I must state to the Senator that I cannot answer that definitely. I think averages are used, but I can obtain the information very easily, and will give it to the Senator. But as to the exact method of calculation, I do not know.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. POPE. I yield.

Mr. BARKLEY. I assume that if the language referred to by the Senator from Colorado means anything—and I am bound to assume that it does—it means that if interest rates have been lowered, we will say, on farm indebtedness, that fact would be taken into consideration in connection with the provision above with regard to the purchasing power of the farmer. If the interest rates were higher now than they were during the parity period, that would be taken into consideration, and the same would apply to taxes. In all probability taxes are now higher and interest rates are lower than they were during the parity period, and both those elements would be taken into consideration as possibly modifying the rule set out in the first phrase of the sentence.

Mr. POPE. That is exactly the thought I had, and I think that is the correct judgment as to the matter.

Mr. O'MAHONEY. Mr. President, will the Senator permit another interruption?

Mr. POPE. I will yield for a question. The Senator can see that I cannot get along with my speech if constantly interrupted.

Mr. O'MAHONEY. The subject matter is one of such tremendous interest that I am sure the Senator will make progress if he allows these questions to be cleared up.

Mr. POPE. I think the Senator will find that many of the matters will be cleared up if I can go ahead and explain the bill.

Mr. O'MAHONEY. If I may ask this one question, I shall then subside.

I was very much interested in the inquiry of the senior Senator from Colorado with respect to the definition of "parity." This definition, set forth on page 65, includes tax payments per acre on farm land. Does the Senator believe that it is so drawn that tax payments upon all farm

lands, regardless of the crop to which they are devoted, would have to be taken into consideration? Or does the Senator believe that the tax payments taken into consideration would be restricted to land on which was grown the particular crop upon which the parity payment was being made?

Mr. POPE. I am advised that, in the actual computation of parity, averages are taken throughout the country both as to indebtedness and taxes. I do not know how else it could be done.

Mr. O'MAHONEY. It could be done very easily. This is the provision:

"Parity," as applied to prices for cotton, wheat, corn, tobacco, or rice—

There we have five separate commodities—

shall be that price for the commodity as will give to the commodity a purchasing power * * * and which will also reflect current interest payments per acre on farm indebtedness.

That obviously means farm indebtedness involving lands, whether they are devoted to the growing of cotton, wheat, corn, tobacco, rice, or any other commodity. Then the section proceeds:

And tax payments per acre on farm real estate.

That means farm real estate, whether it is devoted to the production of any one of these particular crops or of any other crop. Does not the Senator believe that the definition should be restricted, so far as tax payments and interest payments are concerned, to the amount of acreage devoted to the particular crop upon which the parity payments are made?

Mr. POPE. I think the Senator is giving entirely too much importance to that, for the reason that probably the interest on the indebtedness as to all lands would be almost exactly the same percentage as on the lands concerning these particular commodities.

Mr. O'MAHONEY. But if I had 100 acres devoted to three different crops, let us say, and only one of them was included in the law, and if I received an adjustment on the basis of the 100 acres, I would be getting an advantage over the man who was devoting all of his land to the particular crop on which the payment was being made.

Mr. POPE. The Senator may be right, but I do not understand it that way. It is merely a method of calculating parity, which applies to the commodity wherever it is sold, and the matter of interest and taxes plays such a minor part in determining parity that I think it is relatively unimportant.

Mr. O'MAHONEY. That might be, but I may say to the Senator that my inquiry was prompted by a conviction that the discretion which is granted by law to administrative officials should be restricted within the narrowest possible bounds, and that every provision which grants broad discretion should be considered most carefully by the Congress before approval.

Mr. POPE. I am sure we appreciate the Senator's own view in that matter. The matter of giving discretion depends upon a number of factors. I do not think one could say that in every case discretion should be limited to the narrowest possible bounds. I do think a reasonable discretion, to accomplish the purposes designed for the best interests of all the people concerned, should be the criterion rather than either a large discretion or a small discretion.

I did want to go ahead with my statement, started sometime ago, as to what was found in connection with the production of the various commodities mentioned in the bill after the crop has been harvested, or largely harvested, and I desire to make a comparison between the number of acres planted to the various commodities in 1936 and 1937, and the amount of commodities produced in 1936, as compared with 1937, on the acreage planted, and the value of the crops.

As to wheat, in 1936 there were harvested 48,800,000 acres. In 1937 there were harvested 68,200,000 acres, over 20,000,000 more acres being harvested in 1937 than in 1936. The production in 1936 was 627,000,000 bushels; in 1937, 887,000,000 bushels.

The value of the crop in 1936 was \$624,000,000. It is estimated that in 1937 the value will be around \$700,000,000, although one can see immediately that while there is a small increase in 1937 over 1936 in the value of the crop, it does not correspond at all with the increase in number of acres planted or with the production in 1937.

Mr. COPELAND. Mr. President, will not the Senator include in his remarks other years back of those given by him in his statement of the moment?

Mr. POPE. I think that information can be procured, but for the purposes I have in mind now I have the figures only as to these 2 years, and the Senator will have to be content with these until others may be obtained and put into the RECORD, if the Senator desires to have them.

As to corn, in 1936, 92,800,000 acres were planted and harvested. That resulted in a production of 1,529,000,000 bushels of corn.

In 1937, 96,100,000 acres of corn were planted and harvested. The amount of corn produced in that year was 2,651,000,000 bushels. In other words, over 1,000,000,000 bushels more corn was harvested in 1937 than in 1936.

Mr. McNARY. Mr. President—

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Oregon?

Mr. POPE. I yield.

Mr. McNARY. The net result to be deduced is that climate and preparation of soil has more to do with the crop than the acreage?

Mr. POPE. Perhaps so during any temporary period. In the long run it would not.

The value of the 1936 corn crop was \$1,514,000,000. The value of the 1937 corn crop was \$1,350,000,000. Even though over 1,000,000,000 more bushels of corn were produced in 1937 than in 1936, the amount received—the amount is estimated, but it is very close—was \$100,000,000 less than the amount received for the corn harvested in 1936.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. POPE. I yield.

Mr. COPELAND. The point I had in mind a moment ago was that it is hardly fair, is it, to take 2 years close together and form conclusions from these figures, when we do not have the corresponding figures over a longer period of time?

Mr. POPE. I think it is entirely fair for the purpose for which I am giving these figures.

Mr. COPELAND. That may be.

Mr. POPE. That is, to show the reason and the necessity for the legislation. Last year we were going along quite comfortably with the Soil Conservation Act, but this year we find a situation which is not met by the Soil Conservation Act, which the farmers believe and I think anyone who has studied the situation believes does require legislation.

Mr. COPELAND. Mr. President, we thought that the Soil Conservation Act would accomplish its purpose. Now the Senator is presenting figures to show that it did not; but that in all probability the present bill would accomplish the purposes which the other bill failed to accomplish.

Mr. POPE. Yes; that is right.

Mr. AUSTIN. Mr. President—

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Vermont?

Mr. POPE. I yield.

Mr. AUSTIN. I ask the Senator if he understands that under the Soil Conservation Act the Secretary of Agriculture, or the agency that represents the Secretary, does now make contracts for the limiting of production of all kinds of farm products in the interest of conservation of the soil and to prevent erosion? Does the Senator understand that that power which is contained in the act to provide for the protection of land resources against soil erosion, and for other purposes, gives him unlimited, unrestricted powers, as follows?—

To cooperate or enter into agreements with, or to furnish financial or other aid to, any agency, governmental or otherwise, or any person, subject to such conditions as he may deem necessary, for the purposes of this act.

Mr. POPE. From what is the Senator reading?

Mr. AUSTIN. I am reading from a publication entitled "Laws Relating to Agriculture," compiled by Elmer A. Lewis, superintendent of the document room of the House of Representatives. I suppose it would be authentic. It is a public document.

Mr. POPE. That was not the purpose of my question. I was wondering whether the Senator was reading from the present bill or from the Soil Conservation Act.

Mr. AUSTIN. I do not wonder at the question of the Senator from Idaho. I have not discovered anyone who can identify or say whether such great power as that which I have just read is contained in this pending measure. I am asking the Senator whether he realizes that already Congress has vested the Secretary of Agriculture with absolutely unlimited power to make any of the arrangements that are provided for in the present pending measure?

Mr. POPE. I had not thought so, but I should be glad to examine the statute.

Mr. AUSTIN. I am very curious to know whether that is the situation or not, because if it is so, I should favor a limiting of that authority rather than attempt to reiterate it.

Mr. President, will the Senator yield for another question?

Mr. POPE. I yield.

Mr. AUSTIN. I want to know if the Senator understands that now, under that authority, contracts are entered into with producers so that a man now producing 30 acres of potatoes, at 200 bushels to the acre, will be paid \$171 for changing 1½ acres of ground to some other crop, or that anyone producing 300 acres of potatoes, with a yield of 300 bushels to the acre, will be paid \$2,700 for changing 15 acres to other crops? Does the Senator so understand?

Mr. POPE. I have made no calculations in that connection, I will say to the Senator. I know nothing about it.

Mr. AUSTIN. This ought to be a matter of record in the hearings of the committee.

Mr. POPE. I do not have such figures in mind. I shall be very glad to check the Senator's figures if he desires to have me do so.

Mr. AUSTIN. They are not my figures.

Mr. POPE. I shall proceed now with my discussion.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. POPE. I yield for a question.

Mr. VANDENBERG. Before the Senator leaves his corn figures, in which I am interested, I should like to ask him a question. I understand that the Senator's figures show corn acreage harvested in 1937 at 96,146,000 acres. Is that correct?

Mr. POPE. I have it in round figures 96,100,000.

Mr. VANDENBERG. Yes. Can the Senator tell me what reduction in corn acreage is contemplated by the 1938 agricultural conservation program?

Mr. POPE. I cannot offhand. I shall be glad to obtain that information and give it to the Senator, or put it into the RECORD.

Mr. VANDENBERG. Generally speaking, it is my understanding that it is proposed to reduce acreage about 5,000,000 acres, costing \$221,000,000 to do it. It is also my understanding that during the first 8 months of 1937 nearly 80,000,000 bushels of corn were imported into the United States, and at an average yield of 23 bushels per acre that would represent the equivalent of three and one-half million acres of corn-producing land. In other words, we would appear to be paying \$221,000,000 to reduce our corn crop by just about the amount of our imported corn for 12 months. Does not the Senator think that the importation of corn, then, is of desperate importance in the contemplation?

Mr. POPE. Of course, the Senator understands that by reason of the shortage in the corn crop last year and the year before a very considerable amount of corn was imported. At any time when the price gets high enough that corn can be imported and pay a 25-cent duty per bushel imports will come in. By reason of the desperate necessity of the stockmen to obtain feed corn, they were willing to pay the high price, and therefore a very substantial amount of corn

imports came in during the last year. The Senator's figures may be correct. I have not checked the figures.

I shall now proceed with reference to rice. In 1936, 900,000 acres were harvested. In 1937, 1,000,000 acres were harvested. The production in 1936 was 47,000,000 bushels. In 1937 the production was 52,000,000 bushels. The value of rice produced in 1936 was \$41,000,000. The value of rice produced in 1937 is estimated to be \$32,000,000.

In 1936, 1,400,000 acres of tobacco were harvested. In 1937, 1,700,000 acres of tobacco, or 300,000 acres more, were harvested. The production of tobacco in 1936 was 1,153,000,000 pounds, as against 1,485,000,000 pounds in 1937. The value of tobacco produced in 1936 was \$250,000,000, as against an estimated value of \$325,000,000 for tobacco produced in 1937. I may say that the average price of tobacco in 1936 was the same as the average price of tobacco in 1937. Tobacco is the only one of the five commodities of which that is true.

I think, Mr. President, that I will also put in the Record, as it may be of interest to some Senators, the average farm price for these crops. On October 15, 1936, the average price for a bushel of wheat was \$1.70; in 1937 it was 89 cents. The average price of corn in 1936 was 98 cents a bushel, and in 1937, 59 cents. In 1936 the average price of cotton was 12.2 cents a pound, while in 1937 it was 8.1 cents a pound. The price of rice on the average was 79 cents a bushel in 1936, as against 63 cents a bushel in 1937. Tobacco, as I said a moment ago, was sold at an average price of 23 cents a pound in 1936 and 23 cents a pound in 1937.

So as to all the commodities, except tobacco, one can readily see the situation as to the price decline which seems to bear a direct relationship to the surpluses that are on hand.

I desire now to call the attention of the Senate to the declaration of policy in the bill—I have finally gotten to the bill. I do this for the purpose of discussing very briefly, but I think adequately, the question of whether or not the legislation here contemplated is constitutional under the Hoosac Mills case, holding the old Agricultural Adjustment Act to be unconstitutional. In connection with the discussion I call attention to section 2 of the bill, as follows:

It is hereby declared to be the policy of Congress to regulate interstate and foreign commerce in cotton, wheat, corn, tobacco, and rice to the extent necessary to provide such adequate and balanced flow of such commodities as will, first, maintain both parity of prices paid to farmers for such commodities marketed by them for domestic consumption and export and parity of income for farmers marketing such commodities; and second, without interfering with the maintenance of such parity prices, provide an ever-normal granary for each such commodity and conserve national soil resources and prevent the wasteful use of soil fertility.

I wish to call the attention of the Senate particularly to the phrase expressing the purpose of this legislation, namely, to regulate interstate and foreign commerce in these various commodities by doing certain things specified in the bill.

Mr. CONNALLY. Mr. President, will the Senator yield right there?

The PRESIDING OFFICER (Mr. HERRING in the chair). Does the Senator from Idaho yield to the Senator from Texas?

Mr. POPE. I yield.

Mr. CONNALLY. Is not the Senator aware, however, that such general declarations are not the things the court will probably look at, but rather what is done by the language that follows the introductory remarks to the legislation?

Mr. POPE. I will say that I think the Senator is generally correct.

Mr. CONNALLY. It does not hurt to put in these generalities, and so on; they perhaps soften the situation; but, after all, that is not conclusive. If what is provided later on in the bill is violative of the limitations upon our power, of course the legislation is not saved by a general declaration as to what our purpose was.

Mr. POPE. That is very true; but the Supreme Court within the last year has, I think, in every case referred to the declaration of policy. That was so in the National Labor Relations Act cases.

Mr. CONNALLY. Exactly. It is assumed that our declaration of policy is true. The courts will make that assumption unless it is made very plain later on by what the measure provides that it is not true. In other words, the Court desires to uphold legislation. The rule is that it assumes legislation to be constitutional unless it appears beyond any question or reasonable doubt that it is not.

Mr. POPE. I have quite carefully prepared my statement on this phase of the bill. I hope it will be interesting.

Mr. ADAMS. Mr. President, will the Senator yield for an inquiry at that point?

Mr. POPE. I yield.

Mr. ADAMS. I was wondering whether this declaration does not weaken the situation by adding an explanation as to why we are going to regulate commerce. Since the bill says it is proposed to regulate commerce for the purpose of maintaining prices rather than to regulate it for commerce's sake, I am wondering if that does not weaken the legal status of that very declaration.

Mr. POPE. I may say to the Senator that very point is now under consideration. I can see, as the Senator from Colorado evidently sees, that the purpose is to regulate interstate commerce while incidentally doing the other things. In other words, the purpose is to regulate interstate commerce in a certain way, and I myself think that the declaration of policy can be improved in statement.

Mr. BARKLEY. Mr. President, will the Senator yield to me?

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Kentucky?

Mr. POPE. I yield.

Mr. BARKLEY. In that connection, while the law itself did not set out in detail the policy as has been done in more recent years, the first act to regulate commerce, which had reference largely to the railroads, of course was based upon the power to regulate commerce, with the incidental, if not the primary, purpose of fixing railroad rates or creating such a situation that railroad rates could be fixed; and we even set up a commission in that case to fix them. So there is not such a wide difference between the use of the power to regulate interstate commerce and to fix rates and prices as might be assumed.

Mr. POPE. I will say that the Senator expresses my view exactly with reference to the matter, and as I intended to make plain in my answer to the Senator from Colorado.

Mr. AUSTIN. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Vermont?

Mr. POPE. I yield.

Mr. AUSTIN. I should like to ask the Senator from Idaho why does he think it is necessary for Congress to make any such declaration as that in the preamble to this proposed legislation?

Mr. POPE. I think it may be of some importance to the court in arriving at a decision. I have noticed that in the Labor Relations Act case the declaration of policy was quoted and referred to by the court, and I think in practically all the other cases of a similar nature. So an expression of policy may be of some importance in connection with a decision in any case that may arise under this bill involving its constitutionality.

Mr. AUSTIN. Mr. President, will the Senator permit another question?

Mr. POPE. Yes.

Mr. AUSTIN. Is it not true that if the legislation we are contemplating deals with commerce instead of with production, there is not any necessity of saying so in the preamble? The Court would not need any help from us by way of explanation if the bill as passed dealt with commerce instead of production, would it?

Mr. POPE. I felt the same way about the decision in the Hoosac Mills case. I thought it was not necessary in the declaration of policy to point out that we were regulating interstate commerce, in effect, but the Court said by reason of the fact that there was no statement or claim in that bill

that we were proposing to regulate interstate commerce, it was a purely local transaction. Therefore, I think it is important, at least, to one who desires to have such legislation as this upheld to make in the beginning a declaration of policy.

Mr. AUSTIN. I thank the Senator from Idaho for that answer, because I think it clarifies the situation and shows the need for a declaration here; that is, if it is admitted that the bill is not clear on this point, then it does need this additional declaration in order to get the Court to go that far in interpreting it.

Mr. POPE. That is a very fair statement.

Mr. McKELLAR. Mr. President—

Mr. POPE. I yield to the Senator from Tennessee.

Mr. McKELLAR. Is there not another reason why the purpose of Congress should be stated? We know in advance that all these bills are going to be contested; they are all going to be taken to the Supreme Court, and ought not the Congress make perfectly clear to the Court, having in mind the litigation which it is known will follow, what Congress had in mind by stating the purpose of the bill on its face?

Mr. POPE. I will say to the Senator that I will call attention in a few moments to the legislative findings which appear in this bill. I think every Member of this body will see the importance of those legislative findings when the Court comes to pass upon the constitutionality of the pending measure.

Now, may I go ahead with my legal argument?

The legal theory on which the pending bill is based is entirely distinct from that which provided the basis for the Agricultural Adjustment Act, which was invalidated by the Supreme Court, January 6, 1936. In that measure, it will be recalled, section 1 of the act recited that an economic emergency has arisen in agriculture. Section 2 declared the policy of Congress to be to establish and maintain such balance between the production and consumption of agricultural commodities, and such marketing conditions therefor as would reestablish prices to farmers at a level that would give to agricultural commodities a purchasing power with respect to articles that farmers buy equivalent to the purchasing power of agricultural commodities in the base period. Section 8 gave the Secretary of Agriculture power to provide for reduction in acreage or reduction in the production for market, or both, of any basic agricultural commodity through agreement with producers and by other voluntary methods, and to provide for rental or benefit payments in connection therewith, or upon that part of the production of any basic agricultural commodity required for domestic consumption in such amounts as the Secretary deems fair and reasonable. The Secretary was empowered to enter into marketing agreements and to issue licenses permitting processors and others to engage in handling in interstate commerce agricultural commodities. The processing taxes were enacted to raise revenue for the payment of benefits and when a claim was made of the receiver of the Hoosac Mills Corporation for processing taxes the act was held unconstitutional. The Court interpreted the act largely on the basis of the general-welfare clause.

The Court held that the power to provide for the general welfare independently of the taxing power is not conferred by the provision of article I, section 8, clause 1, of the Constitution empowering Congress "to lay and collect taxes, duties, imposts and excises, to pay the debts, and provide for the common defense and general welfare of the United States," but the only thing granted is the power to tax for the purpose of providing funds for payment of the Nation's debts in making provision for the general welfare. The Agricultural Adjustment Act, the Court said, in setting up a plan to regulate and control agricultural production, unconstitutionally invades the reserve rights of the States. It was pointed out, however, in the majority opinion by Justice Roberts that the decision was not based on the interstate-commerce aspect of the case. He said:

Despite a reference in its first section to a burden upon, and an obstruction of the normal currents of commerce, the act under

review does not purport to regulate transactions in interstate or foreign commerce. Its stated purpose is the control of agricultural production, a purely local activity, in an effort to raise the prices paid the farmer. Indeed, the Government does not attempt to uphold the validity of the act on the basis of the commerce clause, which, for the purpose of the present case, may be put aside as irrelevant.

The Court further held that while the power of taxation may be adopted as the means to carry into operation another power, also expressly granted, resort to the taxing power to effectuate an end which is not within the scope of the Constitution is inadmissible.

For purposes of argument we may concede that contracts with farmers for the reduction of acreage in the control of production for the sole purpose of controlling production are outside the range of Federal power. This does not indicate directly or indirectly that contracts for the control of production are illegal for the effective regulation of interstate and foreign commerce.

Mr. McNARY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Oregon?

Mr. POPE. I yield.

Mr. McNARY. We had few opportunities to call experts before the committee; in fact, we had none. The Senator is now entering upon a discussion of a very important phase of the bill. In the Butler case the court held that we were invading the sacred rights of the States in attempting to control agricultural commodities among the farmers of the country.

Mr. POPE. Without reference to interstate commerce.

Mr. McNARY. That decision was based not alone upon the fundamental philosophy of the law but upon the tenth amendment to the Federal Constitution, which gives the States some rights. In connection with the attempt the Senator is making to base the constitutionality of the provisions of the bill upon the interstate and foreign commerce clause, under the terms of the bill is there provided any regulation whatever of commerce in agricultural products as it has ordinarily flowed in all the years past?

Mr. POPE. I intend to attempt to answer that question later in my discussion.

Mr. McNARY. Secondly, has there been any interruption in the flow of commerce because of undue regulation, and has Congress evinced such a view by the enactment of any legislation heretofore? Is a mere declaration of the view of Congress sufficient to put a law in the class of constitutional enactments so far as the judicial mind is concerned? If this act proposing to control agriculture is not constitutional, according to the decision heretofore rendered by the Supreme Court, can it become constitutional by reference to another provision of the Constitution? There are four suggestions which I should like to have the Senator spend the afternoon in enlightening us.

Mr. POPE. The Senator has asked the very questions I have attempted to answer in the statement which I am endeavoring to make. Whether my answer will prove valid or not is another question.

As stated by Mr. Justice Roberts, the commerce clause of the Constitution was put aside as irrelevant in the Butler against Hoosac Mills decision. Interstate and foreign commerce, however, is certainly not irrelevant and the plight of agriculture at the present time, and through the proper regulation by Congress of the interstate and foreign commerce pursuant to the provisions of this bill the economic situation of the farmer can be set aside.

The bill which is now under consideration approaches the matter in a different way. On page 1, section 2, the declaration of the policy of the bill begins as follows:

It is hereby declared to be the policy of the Congress to regulate interstate and foreign commerce in corn, wheat—

And so forth. The plain import of the declaration of policy of this measure is further strengthened by the legislative findings on page 21, which I shall read. I am going to refer specifically to these legislative findings because in one

or more of the cases which recently have been decided reference has been made and attention paid to the legislative findings. Here are the legislative findings:

The production and marketing of wheat and corn constitute one of the great basic industries of the United States, with ramifying activities which directly affect interstate or foreign commerce at every point, and stable conditions therein are necessary to the general welfare.

I may say that these are legislative findings with reference to corn and wheat. There are other legislative findings with reference to other commodities.

Recurring surpluses and shortages of supplies of wheat and corn on the Nation-wide market are detrimental to the general welfare of the Nation. Surpluses of such supplies destroy the income of farmers, their purchasing power for industrial products, and the value of the agricultural assets supporting the national credit structure. Shortages of such supplies result in excessive prices to consumers and loss of markets by farmers.

In the absence of effective legislation, surpluses of wheat and corn will accumulate and shortages of supplies will occur.

The general welfare requires that such recurring surpluses and shortages be minimized, that supplies of wheat and corn adequate to meet domestic consumption and export requirements in years of drought, flood, and other adverse conditions as well as in years of plenty be maintained, and that the soil resources of the Nation be not wasted in the production of excessive supplies.

The conditions affecting the production and marketing of wheat and corn are such that, without Federal assistance, farmers, individually or in cooperation, cannot effectively prevent the recurrence of such surpluses and shortages, maintain their incomes in a fair balance with the incomes of individuals other than farmers, maintain normal supplies of wheat and corn, or provide for the orderly marketing thereof.

The marketing of abnormally excessive supplies of wheat or corn materially affects the volume of such commodities in interstate and foreign commerce, disrupts the orderly marketing of such commodities therein, reduces the prices for such commodities with consequent injury to and destruction of such commerce, causes disparity between prices of agricultural commodities and industrial products in interstate and foreign commerce with consequent diminution of the volume of such commerce in industrial products, and otherwise acutely and directly affects, burdens, and obstructs interstate and foreign commerce.

Mr. AUSTIN. Mr. President, will the Senator yield at that point?

Mr. POPE. I yield to the Senator from Vermont.

Mr. AUSTIN. I desire to ask the Senator whether he understands that at all places in the bill where reference is made to acts affecting interstate commerce, it is intended thereby to mean acts directly affecting interstate commerce?

Mr. POPE. There is in the bill a definition of "affecting interstate commerce" which I shall call to the attention of the Senator if he desires it.

Mr. AUSTIN. Mr. President, that is the trouble. I have read that definition. I have read the bill. Of course I could have read it only once in the time since it came before the Senate; but it is the reading of the bill which led to the question. It seems almost obvious that in editing the bill an attempt is made to change the definition of interstate commerce which has been made through years of experience and years of adjudication by our highest court from acts which directly affect commerce between the States to acts which may affect it even remotely and indirectly. That is the trouble, and that is the reason why I asked the question. I made the question broad so that the Senator from Idaho, if he so understood it, would cover the whole matter in one answer. That is, wherever in the bill there is a reference to acts affecting interstate commerce, does the Senator understand that that language is intended to mean acts which directly affect interstate commerce?

Mr. POPE. I think the question which the Senator asks is a fair one. I will say to him that this definition of acts "affecting interstate commerce" is identical with the definition in the National Labor Relations Act, except the last part, which refers to agricultural commodities instead of strikes. The courts gave attention to that definition, and I think it had some influence in the decision of the case. In a few moments I shall call the attention of the Senator to the exact language in the Jones & Laughlin decision on the National Labor Relations Act. If the Senator cares to refer

to the definition in this bill and compare it with the definition in the National Labor Relations Act upon which the court directly passed, it may be interesting to him.

Here is the definition in the National Labor Relations Act:

The term "affecting commerce" means in commerce, or burdening or obstructing commerce or the free flow of commerce, or having led, or tending to lead, to a labor dispute burdening or obstructing commerce or the free flow of commerce.

That is the definition which the Court passed upon in the Jones & Laughlin case, approved of it, and gave it very important consideration in the decision of that case. We have followed that definition here, except that we have related it to the agricultural problem.

Mr. AUSTIN. Mr. President, will the Senator further yield?

Mr. POPE. I yield.

Mr. AUSTIN. I cannot understand why legislators, in writing bills, do not express in simple, plain language what they mean. If the decision in the Jones & Laughlin case is the interpretation we are to put upon this language in the bill under consideration, why not in the first instance write it into this bill, so that it will plainly say "directly affecting" instead of saying "affecting"?

Mr. POPE. I call the attention of the Senator to the influence which that definition of "affecting interstate commerce" had upon the Court in its decision on the National Labor Relations Act. This is what Mr. Justice Hughes said:

This definition is one of exclusion as well as inclusion. The grant of authority to the Board does not purport to extend to the relationship between all industrial employees and employers—

And so forth. Very great importance was attached to that definition of "affecting interstate commerce" in the Jones & Laughlin case by the Supreme Court in its opinion upholding the National Labor Relations Act. Therefore, we who are interested in this sort of legislation are going to define the term "affecting interstate commerce" as we think it should be defined; and when the matter reaches the Supreme Court, that Court can give it such consideration as it may think it deserves.

Mr. AUSTIN. Then I interpret the answer of the Senator from Idaho to mean that he takes issue upon what is meant by "affecting interstate commerce." That is to say, though he does not directly say so, he disputes the claim I have made that we cannot go beyond regulating acts which directly affect interstate commerce.

Mr. POPE. I shall deal with that matter a little later on in my discussion. At least, I shall give what I think is the answer to the Senator's question.

Mr. CONNALLY. Mr. President—

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Texas?

Mr. POPE. I do.

Mr. CONNALLY. In connection with what the Senator from Vermont said, is it not true that in order to control commerce at all, Congress must have the power to control things that obstruct it? Because without the ability to remove the obstructions or the burdens that may be put upon commerce, Congress cannot regulate commerce itself. So the language of the Senator, "directly affecting commerce," does not add anything whatever to the plain statement "affecting commerce," because if an act affects commerce it comes within the scope of congressional power; and the regulation of interstate commerce in the Congress is exclusive of every other kind of regulation, State or otherwise. Necessarily, we have the power to do whatever is necessary to make that regulation complete by removing or doing what we may with anything that affects that commerce.

Mr. POPE. Yes. It is entirely a question of degree. The word "direct" was used in the Schechter case, holding the N. R. A. unconstitutional; but in this case, upholding the constitutionality of the National Labor Relations Act, Mr. Justice Hughes said that the courts were to interpret the question of what affects interstate commerce within the meaning of the Constitution, and that was a question of degree.

Mr. AUSTIN. That means "directly," Mr. President. If it is within the meaning of the Constitution, it cannot be "remotely."

Mr. POPE. Mr. Justice Hughes did not use the word "directly" in this decision, as I recall; but the word was used in the Schechter decision on the N. R. A.

Mr. AUSTIN. As a matter of policy, I ask the Senator whether he is now ready so to change the relationship between the States and the Federal Government as to turn over the control of production in any form from the governments of the several States to the Federal Government.

Mr. POPE. As contemplated in this bill; yes.

Mr. AUSTIN. Then I think the two answers—the answer to the former question and the answer to this question—are completely responsive to my inquiry. I regret that that is the situation, because I had hoped that if we embarked upon farm legislation we could keep within the Constitution, and not make it a vehicle for attempting to change our governmental plan and system.

Mr. POPE. I shall now proceed with my argument.

The basis of the bill and all its provisions related to control of production is the power of Congress to regulate interstate and foreign commerce. In this bill the Congress does not seek, as it did in the Agricultural Adjustment Act, to regulate directly agricultural production for the purpose of bringing relief to the farmer and improving the general welfare of the United States. Those benefits are accomplished incidentally by the wise exercise of the constitutional power of Congress to regulate foreign and interstate commerce.

Mr. McNARY. Mr. President—

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Oregon?

Mr. POPE. I do.

Mr. McNARY. That is an interesting statement, but hardly a believable one. If there is any purpose in the world in this bill, it is to clothe the Secretary of Agriculture with plenary power to determine the supply of agricultural products. The word "supply" is the word that was used by Mr. Smith, of the Illinois Institute of the American Farm Bureau Federation, who discussed the bill more intelligently than anyone else. He said, "This is a control-of-supply bill."

Mr. POPE. Yes.

Mr. McNARY. If that is true, what is the difference between the aims and purposes and accomplishments of this bill and those of the A. A. A. when there was an adjusted contract in that case as there is to be in this case?

Mr. POPE. I think essentially the purposes were the same, but they were differently stated; and, as Mr. Justice Roberts said in his decision, no reference was made in the A. A. A. to interstate commerce. There was nothing in the act to show that the regulation of production had anything to do with interstate commerce. We are making that as clear as it is possible to make it by our findings in this bill.

Mr. McNARY. Then it is covered. The Senator states that the purposes and the aims are the same. The objectives are arrived at by the same plan—namely, control of supply by a surplus that will depress the price level. But there is an attempt to get around it in a fantastic way by referring to another provision of the Constitution. That is the difference between this plan and the A. A. A.; that is the statement.

Mr. POPE. I should say that the purpose to afford relief to the farmer by control of surplus is the same. But in this bill, taking the measure as a whole, we deal more directly with marketing than was attempted in the Agricultural Adjustment Act. In that act there was no reference to marketing at all, no provisions relating to marketing, whereas in the bill before us a very important portion relates to marketing quotas and the control of production in connection with the marketing quotas.

Mr. AUSTIN. Mr. President, will the Senator yield for a question?

Mr. POPE. I yield.

Mr. AUSTIN. I hope this does not disturb the Senator. We have been interrupting him many times. On account of the brevity of the time we have had to study the bill we need information, and I ask for information on this particular point of regulation of marketing.

I should be inclined to agree with the Senator from Idaho if the bill contained nothing else but a provision for the regulation of the marketing of goods that cross a State line or a National line, or contracts for marketing, sale, or negotiation for marketing among the several States or between nations; there is, as implied, ample authority in the Constitution for Congress to take hold of that matter and regulate it, even to the point of fixing a quota upon every farm in the United States, as this bill does; but here is the question: Does the Senator claim that the Federal Government has the power to regulate marketing within any one State or on any farm thereof?

Mr. POPE. In the North Dakota case, holding a grain-grading law unconstitutional a few years ago, the Supreme Court held, as the Senator will remember, that such an act was unconstitutional when the grain was in a wagon, I believe, in North Dakota, assuming that wheat was in interstate commerce. In that connection let me call the attention of the Senator to the fact that it is well known that about 85 percent of all wheat raised is shipped in interstate commerce; that about 95 percent of all the cotton raised and about 95 percent of all the tobacco raised is shipped in interstate commerce. In the case referred to the State law was held unconstitutional because it attempted to regulate interstate commerce within the State of North Dakota, where wheat was being transported on a wagon in that State.

Mr. AUSTIN. Mr. President, I do not think the Senator from Idaho is employing finesse to avoid an answer to my question—

Mr. POPE. I did not intend to.

Mr. AUSTIN. I think I ought to put the question in different form, perhaps, to get the answer. I am dealing with the principle. I am asking whether the Senator stands for the principle that the Federal Government may go into a State and regulate by a quota a quantity of corn a farmer may sell within his own State.

Mr. POPE. I do, if it is in the interest of the farmers, and to protect them from destruction by loss of their markets. I am prepared to admit that there might have been some doubt about the power of Congress to regulate commerce in the manner provided in this bill. I will put it this way: There was more doubt at the time of the Carter Coal decision, May 18, 1936, than there is now. However, that decision is not in accord, as I read it, with the general trend of judicial opinion on the interpretation of the interstate-commerce clause or with later decisions in which the Court has taken a broader view in very clear language.

The power of Congress over interstate and foreign commerce, as defined by the Supreme Court in recent cases, is amply broad, in my judgment, to sustain the pending measure. In the case of the National Labor Relations Board against Jones & Laughlin Steel Corporation, decided April 12, 1937, a proceeding by the National Labor Relations Board against Jones & Laughlin to enforce an order of the Board was the subject of litigation.

The Jones & Laughlin Corporation is a Pennsylvania corporation engaged in manufacturing iron and steel. It is the fourth largest producer of steel in the United States, with 19 subsidiaries, owning and operating ore, coal, and limestone properties, lake and river transportation facilities, and terminal railroads located at its manufacturing plants. The company does business in many States and its sphere of influence extends over many more, but the actual controversy arose out of alleged discrimination against 10 employees of the plant at Aliquippa. Ten men were discharged for activities in connection with the Beaver Valley Lodge, No. 200, of the Amalgamated Association of Iron, Steel, and Tin Workers of America. Two of the discharged employees were motor inspectors. One was a tractor driver. Three were crane operators. One was a washer in a coke plant and three were

laborers. If the activities of these 10 men are, in fact, any more closely related to the flow of interstate commerce than the activity of a farmer harrowing his field or cutting his wheat, I am unable to perceive the niceties of the distinction. Nonetheless the order of the Labor Board for the reinstatement of the discharged employees was upheld by the United States Supreme Court. In his opinion Justice Hughes said:

We do not find it necessary to determine whether these features of defendant's business [manufacturing steel without regard to orders or commerce in which it may flow] dispose of the asserted analogy to the "stream of commerce" cases.

I call particular attention to that statement. It may be said that in that case, because the ore was purchased in other States, and other supplies were purchased in other States, and were located at the plant at Aliquippa, perhaps this transaction of the men working on the motor trucks would be in the stream of interstate commerce. That argument might be made, but Chief Justice Hughes said:

We do not find it necessary to determine whether these features of defendant's business [manufacturing steel without regard to orders or commerce in which it may flow] dispose of the asserted analogy to the "stream of commerce" cases. The instances in which that metaphor has been used are but particular, and not exclusive, illustrations of the protective power which the Government invokes in support of the present act. The congressional authority to protect interstate commerce from burdens and obstructions is not limited to transactions which can be deemed to be an essential part of a "flow" of interstate or foreign commerce. Burdens and obstructions may be due to injurious action springing from other sources. The fundamental principle is that the power to regulate commerce is the power to enact "all appropriate legislation" for "its protection and advancement"; to adopt measures "to promote its growth and insure its safety"; "to foster, protect, control, and restrain." That power is plenary and may be exerted to protect interstate commerce "no matter what the source of the dangers which threaten it." Although activities may be intrastate in character when separately considered, if they have such a close and substantial relation to interstate commerce that their control is essential or appropriate to protect that commerce from burdens and obstructions, Congress cannot be denied the power to exercise that control.

Mr. AUSTIN. Mr. President, will the Senator yield for a question?

Mr. POPE. I yield.

Mr. AUSTIN. I ask the Senator if he does not recognize in that decision a recognition by the Supreme Court of the necessity of the cause being proximate, substantially causing the injury, or substantially affecting the injury?

Mr. POPE. The language he uses is "a close and substantial relation to interstate commerce." He does not use the word "direct."

Mr. AUSTIN. That is just the opposite of a remote cause. It is a proximate cause.

Mr. POPE. Let me go on, and then we shall see if the Senator remains of that opinion.

Mr. AUSTIN. I think the Senator ought to give careful consideration to that part of the opinion.

Mr. POPE. Mr. President, I am doing so.

Going further, Chief Justice Hughes made this statement:

Giving full weight to respondent's contention with respect to a break in the complete continuity of the "stream of commerce" by reason of the respondent's manufacturing operations, the fact remains that the stoppage of those operations by industrial strife would have a most serious effect upon interstate commerce. In view of respondent's far-flung activities, it is idle to say that the effect would be indirect or remote. It is obvious that it would be immediate and might be catastrophic.

And I call the Senator's particular attention to this language:

We are asked to shut our eyes to the plainest facts of our national life and to deal with the question of direct and indirect effects in an intellectual vacuum. Because there may be but indirect and remote effects upon interstate commerce in connection with a host of local enterprises throughout the country, it does not follow that other industrial activities do not have such a close and intimate relation to interstate commerce as to make the presence of industrial strife a matter of the most urgent national concern.

Mr. AUSTIN. Mr. President, does not the Senator recognize there that the Court has definitely preserved that doctrine?

Mr. POPE. I may say to the Senator that involved in this case was the driver of a truck, a man who worked in a factory definitely located within a State which manufactured goods for which there was no order to ship into interstate commerce. In connection with that situation arose this case, which Mr. Justice Hughes held was sufficiently connected with interstate commerce to make the act constitutional.

Mr. AUSTIN. He holds that it is a direct effect, a proximate cause, does he not?

Mr. POPE. He said, "close and substantial."

Mr. AUSTIN. Yes.

Mr. POPE. I think we had better use his words.

Mr. President, one must deal with the problem of agriculture in an "intellectual vacuum" to contend that the orderly flow of agricultural commodities from the farm through local markets into national and foreign commerce does not have a similar profound effect upon that interstate and foreign commerce. The Supreme Court has very plainly stated that Congress has power to deal with labor relations between an employee engaged in purely local work, such as washing coke or inspecting motors, and a local employer. The Court recognized that strikes would stop the flow of interstate commerce. I recall the farm strike in 1932. Farmers in the Middle West went on strike and directly interfered with the orderly processes of commerce.

They blew up railroad bridges and highway bridges and committed other acts of violence. An unwieldy and unmanageable surplus had been permitted to accumulate in the channels of trade, completely disrupting the national economy.

It is well settled in the law that terminal warehouses are in interstate commerce. The Supreme Court has described them as the "bottle neck" through which the stream of interstate commerce must flow. In the past disorderly marketing practices, such as dumping huge surpluses of grain or cotton on the market by farmers who did not have the credit to withhold those commodities from the market, have completely clogged those terminals, which are an integral part of interstate commerce. Not theoretically, but in fact, terminal warehouses have been filled so that there was no longer physical room for a bushel of wheat. That, Mr. President, is even more directly an obstruction to the orderly flow of interstate commerce than an industrial strike.

We all know that this country consumes around 650,000,000 bushels of wheat each year. The average citizen, however, does not purchase a full year's supply of bread just because it is time for the farmer to market his wheat. The baker does not purchase a year's supply of flour, nor does the miller grind a year's supply of grain. Under our system of distribution the grain is grown, the flour sold, the bread manufactured and consumed as it is needed. It seems readily obvious that if a million or more wheat farmers are compelled to market their production immediately when it is harvested, the channels of commerce will be clogged, the facilities of distribution will be disrupted, and the national economy will receive a set-back.

Whether or not agricultural production may be called a local matter in a discussion of the general-welfare clause, I have never heard it seriously contended, in the light of constitutional interpretations of the Supreme Court, that agricultural production and marketing does not affect in a very direct and drastic way the interstate and foreign commerce of the Nation. In the hearings which were held during the month of October, the subcommittee of which I was a member heard witnesses, a large number of whom were dirt farmers from 30 States. Regardless of the particular remedy they espoused for the agricultural situation, they were virtually unanimous in the opinion that agriculture is not a local matter but is an integral part of the national economy, a vital factor in interstate and foreign commerce.

Those men were speaking from experience. They raised their grain. They saw it go across State lines. They saw a continuous flow of commerce in connection with that transaction. They knew in their minds that that was a national matter, and one after another throughout the country testi-

fied to that effect. Perhaps they would disagree as to other matters, but not as to whether or not agriculture in these major commodities affected interstate commerce.

Mr. AUSTIN. Mr. President, will the Senator yield?

Mr. POPE. I yield.

Mr. AUSTIN. Let us assume for the purpose of considering the bill that what the Senator has said is perfectly sound, namely, that any act of raising a crop is of sufficient national concern to be said directly to affect commerce among the several States; then why is the Senator so cautious, as he appears to be, not to write the bill according to that principle and say definitely that it deals with acts which directly affect interstate commerce? That is the mystery about this bill. Why define it in such way as to dodge around the word "direct"?

Mr. POPE. I am not clear as to whether or not the Senator wants me to answer that question. I think we have tried to be direct and clear. We are defining something affecting interstate commerce in a way which seems to us fair and reasonable. The Constitution did not use the word "direct." It simply said "commerce with foreign nations and among the several States." Therefore we are in a position to contend that anything which affects interstate commerce closely and substantially, as Mr. Justice Hughes said, is entitled to Federal protection.

Mr. AUSTIN. Mr. President, does the Senator think the Constitution uses the word "affects" in connection with interstate commerce?

Mr. POPE. No, Mr. President; I do not.

Mr. AUSTIN. In view of the doubt about the sincerity of my question, I think I ought to say that the question is not entirely inspired by the language of this bill alone. One who has followed the New Deal legislation from its beginning must observe in it the peculiar characteristic of withholding from the language of the law those specific words which kept the law on its face within the four walls of the Constitution. That is what concerns me more than this particular bill.

I assure the Senator that my questions are sincere, and call for an answer, because I favor agricultural legislation; but I will not favor agricultural legislation or any other legislation which I think, on its face, is in conflict with the Constitution.

Mr. POPE. I assume that the Senator is entirely sincere in that statement; and I certainly would not urge the present proposal with the earnestness with which I am urging it unless I thought the Constitution, if properly interpreted, was broad enough to include this type of legislation.

Mr. AUSTIN. I assume that, too, Mr. President; and I did not question the honesty of thought of the Senator from Idaho at all when I asked him why he did not write this bill according to his understanding that all acts in connection with raising a crop directly affect interstate commerce. I do not question his sincerity. What I question is, what reason has he for not so writing the proposed law?

Mr. POPE. It must be perfectly clear that in all cases the production of commodities does not affect interstate commerce. The raising of vegetables in the Senator's State which are not shipped across State lines may not at all affect interstate commerce, but the planting of wheat or corn or cotton, which go largely into interstate commerce, as I have already indicated, presents an entirely different question. That may very well—and I contend it does—affect interstate commerce; but the planting of all crops does not affect interstate commerce.

Mr. AUSTIN. This bill, as I understand, is limited to those commodities to which the Senator refers as affecting directly interstate commerce?

Mr. POPE. Exactly so. The dairy industry and the raising of potatoes and vegetables and fruit and that sort of thing are not covered by this bill.

Mr. MINTON. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Indiana?

Mr. POPE. I yield.

Mr. MINTON. The Senator from Vermont expresses concern about legislation that does not keep within the four corners of the Constitution, and he urges the use of the words "directly affecting interstate commerce." The Senator from Vermont knows that neither the word "directly" nor the word "affecting" is in the Constitution; that those are words that the Supreme Court itself has interpolated into the Constitution in its opinions. If we write the word "directly" into the law, then the Supreme Court would have a right to assume that we were taking the limited view that the word "directly" expresses, whereas if we use only the words "affecting interstate commerce" they might be construed in the broader sense as interpreted in the Jones-Laughlin opinion.

Mr. POPE. If Congress is to regulate in an effective way the flow of agricultural production in the channels of trade, we must start with agricultural production, the practice of farming, just as Congress, in regulating the flow of industrial production in interstate commerce, found it necessary to start at the source of the stream—the labor relations of those engaged in producing articles of commerce. In this measure will be found provision not only for the coordination of production with demand, but provisions for the establishment of marketing quotas. Marketing quotas at most have had a remote effect upon the actual production of agricultural commodities. They are directed at marketing itself, and marketing of these basic commodities is certainly a part of interstate commerce. In view of these facts, I feel justified in proceeding on the premise that agricultural production and marketing is a part of the interstate and foreign commerce which Congress is constitutionally authorized to regulate, and, further, that the pending measure is a proper exercise of that power with reference to basic commodities.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. POPE. I yield to the Senator from Indiana.

Mr. MINTON. But the purpose of the committee in not using the word "directly," as suggested by the Senator from Vermont, as I gather it, was to enable the Supreme Court to take the broader view of the commerce clause, which the Senator thinks was taken in the Jones-Laughlin case?

Mr. POPE. Exactly so.

Mr. AUSTIN. Mr. President, that is a frank statement that I am glad to have go into the Record to guide us in understanding and interpreting this proposed law. I think it very important to have that view expressed here. If that is the view of Congress, it might affect my action toward the measure; it might make my attitude agreeable to the measure, which now it is not. I am trying to get information, and I am glad to know that that is the objective of at least one sponsor of the measure; that is to say, to extend the interpretation and broaden it over that heretofore given by the Supreme Court.

Mr. POPE. My statement is that I am attempting to give to this problem exactly the same interpretation that was given in the case dealing with the constitutionality of the National Labor Relations Act. If we use exactly the same yardstick there used, I think we can uphold this measure.

Mr. AUSTIN. I thank the Senator.

Mr. JOHNSON of Colorado. Mr. President—

Mr. POPE. I yield to the Senator from Colorado.

Mr. JOHNSON of Colorado. I should like to ask the Senator if it is not a fact that 85 percent of the corn produced in the United States is consumed within the county in which it is produced?

Mr. POPE. Corn itself is mostly consumed within the county and within the State, but it goes right into hogs, which enter, of course, largely into interstate commerce.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. POPE. I yield.

Mr. MINTON. The Constitution that the Senator and his committee are dealing with here is the Constitution of 1937 and not the Constitution of 1936.

Mr. GILLETTE. Mr. President—

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Iowa?

Mr. POPE. I yield.

Mr. GILLETTE. I did not hear the last portion of the discussion, having been called out of the Chamber; but immediately before I was called out, in answer to a question asked by the Senator from Vermont, if, in the opinion of the Senator from Idaho Congress had the right to pass legislation to limit directly a transaction of sale within a State of a foreign product, as I recall, the Senator from Idaho answered categorically, yes. I am sure he meant to limit it by the argument he later presented, that insofar as the transaction affected interstate commerce Congress would have such power, and not to let the answer rest on the categorical response the Senator made at the time.

Mr. POPE. Thank you. The same situation exists that would have existed in the case of a strike in a purely local factory that operated entirely within a State and whose goods were sold entirely within a State. I suppose nobody would contend because that was similar to a strike in a corporation doing a large interstate business that the Federal power was the same in both cases. It must be determined whether or not the particular transaction is tied up with and is closely related to and affects interstate commerce.

Mr. AUSTIN. Mr. President, will the Senator yield?

Mr. POPE. Yes.

Mr. AUSTIN. I now understand that the Senator's attitude respecting this matter is that he recognizes the principle as it has been held time after time, and never really changed by the Supreme Court, that an act must directly or proximately affect interstate commerce in order to come within the regulatory power given by the Constitution, but that each case depends upon its own facts. Is that the position of the Senator?

Mr. POPE. The Senator cannot induce me, except by inadvertence, into admitting that a transaction such as was involved in the National Labor Relations Act or as involved here would not be sufficiently close and proximate and direct as to be within the Constitution.

Mr. AUSTIN. Mr. President, I understand that the Senator uses the case of which he speaks in connection with this bill as an example. But he recognizes the principle and wishes to adhere to it. Is not that so?

Mr. POPE. I want to adhere to the principle that was laid down by the Supreme Court in its latest decision determining what affects interstate commerce.

There are other cases in which the Supreme Court has upheld the conclusion stated in the Jones & Laughlin Steel Corporation case, which is further strengthened by the case of the National Labor Relations Board against Freedman-Harry Marks Clothing Co., Inc., decided April 12, 1937. The whole matter is summed up, I think, quite well by Justice Hughes in the Jones & Laughlin Steel Corporation opinion, when he said:

We have often said that interstate commerce itself is a practical conception. It is equally true that interferences with that commerce must be appraised by a judgment that does not ignore actual experience.

Experience has demonstrated abundantly during the last generation that the sale and resale, storage, and consumption of agricultural commodities is irrevocably interwoven into the system of commerce among the States and with foreign nations. It is the duty of Congress to regulate this phase of commerce as it has regulated other phases, in the best public interest. That, in my opinion, can best be done by giving to the farmers, as a group, a program by which they, in cooperation with their Government, can bring order out of chaos by setting the national agricultural production and distribution in order. Virtually all practical farmers deplore the conditions under which they now are compelled to do business. The system of distribution for agricultural commodities is not much better than the system early trading companies used on the Indians. Congress years ago saw fit to prohibit practices of commerce which they knew from experience would destroy pacific commerce with the Indian

tribes. It is not too much to ask at this time that Congress grant the same privilege to their fellow citizens who are engaged in the industry of agriculture.

Mr. President, the reason why I made the argument on the Constitution is due to the fact that I myself felt, and I am sure other Senators felt, great doubt as to whether or not the kind of legislation contemplated by this bill could be held constitutional. I have given my views at any rate, my reasons and my authorities for believing it is constitutional. Now I shall take up the bill and go through it as carefully as I can and point out what the bill provides.

After the declaration of policy in the bill, there is a provision on page 3 for loans and parity payments. In section 3 appears a provision for contracts with farmers. Contracts are to be tendered to them for signature. I regard that as very clearly giving to the farmer an option of signing or not signing a contract.

There are provisions as to what the contract shall contain. It is contemplated that the soil conservation program will be continued with substantially its present practices.

Mr. McNARY. Mr. President, will the Senator yield at that point?

Mr. POPE. Certainly.

Mr. McNARY. With reference to the hearings which were conducted in the various States in the West, North, Northeast, and Middle West, were not witnesses frequently questioned concerning the provision of the bill which would permit the Department of Agriculture to submit contracts to the farmers, the farmers to have the option and right to sign, and is it not true that all the witnesses who appeared before the committee viewed that effort as an entirely voluntary program? Did not all the farmers who appeared regard it as an entirely voluntary program and method of adjusting production?

Mr. POPE. That is entirely true, with the exception of a very small number. Practically all considered it a voluntary contract. Witness after witness—I should think 99 percent of them—regarded it as a voluntary contract. They frequently referred to the decision of the Supreme Court holding it compulsory. They were perfectly amazed at it because, they said, there was no compulsion about it at all. The interesting thing was that the one or two witnesses who regarded it as compulsory actually did not sign up and participate.

Mr. McNARY. Did I correctly understand the Senator that it is now his intention to take up the bill section by section and discuss it?

Mr. POPE. Yes, if it is desired that the bill be discussed section by section. I had started at the beginning of the bill and had reached section 3, on page 3, and was making some references to the provisions contained in that section relative to contracts.

Mr. McNARY. I have before me a copy of the bill, marked "confidential committee print." That bill contains 124 pages. It also includes the matters stricken out on pages 1, 2, and a portion of page 3 of the bill now before us.

Mr. POPE. I may say to the Senator that the confidential committee print was an earlier print for use of the committee while it was considering the bill, and is not the bill as it has been printed and reported to the Senate.

Mr. McNARY. I fully understand that. I know what a bill is when it is reported to the Senate. I am making no criticism. We studied this one bill with 124 pages and now we have before us a bill containing less than 100 pages. Why did the committee strike out pages 1, 2, and 3? I assume it is a matter of rearrangement, by treating separately the various commodities. I want to get the record straight on that point because anyone reading the bill will wonder why the language was stricken out.

Mr. POPE. I misunderstood the Senator a moment ago. The reason for that was that those who drafted the bill, as well as members of the committee, thought it would be better to have all the definitions at one place in the bill. The Senator will find upon examination that further along

in the bill appears the heading or title "Definitions." That is the reason why a part of page 2 was stricken out.

Mr. AUSTIN. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Vermont?

Mr. POPE. Certainly.

Mr. AUSTIN. I caught some of the discussion as to the voluntary nature of the bill, but not all of it. I am wondering whether the Senator, in view of the marketing quota provisions, understands that every farm in the United States is to have assigned to it a quota and a penalty is to be applied to every farmer in the United States if he exceeds that quota, whether he is a cooperator or not a cooperator, and whether the Senator regards that as voluntary in any respect?

Mr. POPE. We would, of course, have to agree upon what is a definition of voluntary or compulsory, before we could discuss it. I observed from the newspapers in some parts of the West that they regard as compulsory any form of control by contract voluntarily entered into. I am sure I do not know just how to define "compulsory." It is compulsory if one wants to take the position that after a referendum by the voters themselves, he is required to submit to marketing quotas. If we are to regard that as compulsory, that is satisfactory to me, and I am willing to abide by it and observe it and feel that the decision by the people to impose regulations upon themselves is purely democratic. Whether one wants to call that compulsory or not makes very little difference. We know what is done in the bill and the way in which it is done and who decides whether or not it shall be done. That satisfies me.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. POPE. Certainly.

Mr. NORRIS. Let me ask the Senator from Idaho, or any other Senator, if we are going to start out on a program and endeavor to get the consent of the farmer to go into a practical program for anything, no matter what it may be, does it not follow that we must give an advantage to the farmer who goes into it, something so that he will regard it as an advantage to go into the contract rather than stay out? Otherwise everybody would stay out and we could not inaugurate any program of any kind. If that be "compulsory," then it is compulsory.

I think the Senator has very well stated what is provided in the bill. There is nothing covered up. In my opinion it does follow that, if we are going to have any bill of this nature, we must make it appear to the farmer, and make good on that appearance, that he is going to get an advantage if he goes into the program over and above what he would get if he stayed out.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. POPE. I yield to the Senator from Texas.

Mr. CONNALLY. In connection with what the Senator from Nebraska has just said, is not that an irrefutable argument in favor of some sort of bounty or benefit payment other than mere enhancement of the price? If the bill only enhances the price, then the man who does not comply will get a bigger advantage out of it than the man who does comply, because he will plant all he wants to plant, and will get the enhanced price on an unrestricted production; whereas the man who complies, of course, will get the enhanced price on a smaller production. So there must be in this bill either soil-conservation benefit payments or else a straight-out bounty to the man who does comply, and a denial of that advantage to the man who does not comply. Otherwise, we shall be giving a premium to the man who defies the law and goes ahead and plants all he wants to plant.

Mr. POPE. That is perfectly true. There are only two ways of obtaining compliance. One is by offering an inducement sufficient to persuade the man to comply. The other is by passing a law requiring compliance. In this bill we have sought very frankly to occupy a middle-of-the-road position. We will offer farmers contracts and undertake to

obtain a reduction of surpluses by a voluntary method, offering them as inducements the payment of a parity price as provided in the bill, with the hope that a sufficient number may comply to make the program effective.

In our hearings out over the country one witness after another said, "I think we had better try the sort of program contained in this bill, S. 2787. If it does not work, then we should have stronger legislation to enforce compliance with a program to keep down our surpluses." In the West and the Middle West and the northern part of the country that was generally the attitude. My colleagues who will speak later will tell you of the attitude in the South, which I understand is one somewhat different.

Going ahead with the bill, pages 4 and 5 deal with the mechanics of signing contracts, the period of time for which they will be effective, and make reference to certain provisions that are to go into the contracts.

Mr. McNARY. Mr. President, will the Senator yield?

Mr. POPE. I yield.

Mr. McNARY. What is the reason why, instead of following the original plan of the bill and the studies upon which the hearings were held, and treating serially of all the commodities mentioned, the bill as reported is divided up into separate sections, treating specifically of the commodities formerly called "major agricultural commodities"? The change occurred last Sunday when I was not present.

Mr. POPE. I do not think I quite caught the force of the question of the Senator.

Mr. McNARY. When the bill was broadcast the subject matter referred to five so-called basic or major agricultural commodities.

Mr. POPE. The first draft of the bill used the expression "major agricultural commodities."

Mr. McNARY. They were treated at length in a general way through the application of the principles enumerated in the bill.

Mr. POPE. Yes.

Mr. McNARY. As reported, the bill treats of wheat and corn, then of cotton and rice, and so forth. What is the reason why the bill was cut up into pieces when certain members of the committee were present on Sunday last, after the hearings had been closed and after the study had been made?

Mr. POPE. The matter referred to in my statement a few moments ago, I think, was largely responsible for the different treatment of the different commodities. In the original bill all five commodities were treated alike; that is, they were treated under the same provision of the bill, with certain modifications here and there dealing with certain matters in connection with the commodities; but upon the return of the subcommittees it appeared that a great majority of the farmers in the West and Middle West and the whole northern section of the country were not ready to adopt a purely compulsory program. They preferred a program such as the one set out in this bill. As I have already said, some 80 or 85 percent, as nearly as I could judge, did prefer some such program; but the members of the subcommittee which held hearings in the South were of the opinion, as they themselves will express later, that the people of the South desired purely compulsory control as to cotton, tobacco, and rice. In an effort to follow the desires of the farmers themselves as much as possible, the Senators who represent the cotton States, tobacco States, and rice States prepared bills which seemed to be more in accordance with the desire of the people in those States, whereas the Senator from Kansas [Mr. McGILL] and I felt that the bill as originally drawn with reference to corn and wheat met the wishes of the people of the corn and wheat sections of the country about as closely as we could determine.

That is the reason why the Senators from cotton States offered amendments to change the bill as to cotton; and the same thing is true of tobacco and rice.

Mr. McNARY. I understand, then, that the producers of so-called southern crops, and the representatives of those

producers in this Chamber, desired compulsory control and management.

Mr. POPE. At least more compulsory than that desired by those in the West and Middle West. As one of the Senators said, the witnesses testified time after time that they wanted control with teeth in it, and one of them said he wanted control with grinders in it.

Mr. McNARY. A little later I shall ask the Senator to differentiate between the compulsory features applicable to the southern crops and those applicable to the northern and western crops; but I shall not intrude that matter in the Senator's remarks at this time.

Mr. POPE. With reference to the cotton portion and the tobacco portion and the rice portion of the bill, I should prefer to allow the Senators who are responsible for those provisions to explain them. I will say generally, however, that in the portion of the bill relating to corn and wheat we have provision for contracts which provide for continuation of soil conservation, with incidental adjustment of acreage, provision for an ever-normal granary under certain restrictions set out in the bill, and then provision for a referendum and marketing quotas in the part of the bill relating to corn and wheat.

With reference to cotton, as I understand—and I think the same thing is true of tobacco and rice—a referendum is to be held first of the farmers, before the beginning of the marketing year, as to whether or not these control devices will go into effect. If two-thirds of the farmers vote for them, they will go into effect, and will affect the amount of acreage to be planted and the quantity of the product to be raised. They deal, as I recall, both with quantity and with acreage. However, as I said before, the Senators who know most about that matter will discuss it later.

Mr. GILLETTE. Mr. President, will the Senator yield?

Mr. POPE. I yield to the Senator from Iowa.

Mr. GILLETTE. At an earlier stage in the Senator's remarks some of the Senators on the floor expressed concern over certain reported inequities in soil-conservation payments and also concern with reference to diversion of acreage. I ask the Senator to tell me if I am in error in making this statement with reference to the bill:

It has no purpose whatever to repeal or change the Soil Conservation Act. The provisions as to diversions, with a very limited exception, will remain as they were before. If an adjustment contract is presented to an eligible, and he signs, if this bill becomes law, in lieu of soil-conservation payments he will receive parity payments. If he is eligible and does not sign but does not raise wheat or corn, he still will receive soil-conservation payments. If he is ineligible, he will receive payments the same as before, and the use of acreage and diversion of acreage will be under the same conditions as under the old act.

Mr. POPE. The Senator is entirely correct, by reason of the fact that nearly all the persons who testified at the hearings—I should say 99 percent of them—were favorable to a continuation of the soil-conservation program. It made almost no difference what views they held as to general, permanent legislation; they wanted a continuation of the soil-conservation program. Therefore, I feel that there is very great sentiment for a continuance of that program, and this bill provides that it shall be continued. The only difference is with reference to three of the large crops in the bill. They will receive parity payments in lieu of a certain type of soil-conservation payments which they have heretofore received.

Mr. GILLETTE. Will the Senator yield just one step further?

Mr. POPE. I yield to the Senator from Iowa.

Mr. GILLETTE. And the soil-depleting base provided under the Soil Conservation Act is the foundation stone for the adjustment contract that will be tendered?

Mr. POPE. Exactly; with certain very definite, and, it is thought by the farmers, important amendments to readjust the bases, which have proved unsatisfactory in different parts of the country.

Mr. MCGILL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll. The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Connally	King	Pepper
Andrews	Copeland	La Follette	Pittman
Ashurst	Davis	Lee	Pope
Austin	Dieterich	Lewis	Radcliffe
Bailey	Duffy	Lodge	Russell
Bankhead	Ellender	Logan	Schwartz
Barkley	Frazier	Loneragan	Schwellenbach
Berry	George	Lundeen	Sheppard
Bilbo	Gerry	McAdoo	Shipstead
Bone	Gibson	McGill	Smith
Borah	Gillette	McKellar	Steiwer
Bridges	Graves	McNary	Thomas, Okla.
Brown, N. H.	Green	Maloney	Thomas, Utah
Bulkley	Guffey	Miller	Townsend
Bulow	Hale	Minton	Truman
Burke	Harrison	Moore	Tydings
Byrd	Hatch	Murray	Vandenberg
Brynes	Hayden	Neely	Van Nuys
Capper	Herring	Norris	Wagner
Caraway	Hitchcock	Nye	Wheeler
Chavez	Johnson, Calif.	O'Mahoney	White
Clark	Johnson, Colo.	Overton	

The PRESIDING OFFICER. Eighty-seven Senators having answered to their names, a quorum is present.

Mr. POPE. Mr. President, I call the attention of the Senate to the provision known as subdivision (f), which appears at the bottom of page 5 of the bill and continues on to page 6. It was thought advisable by those who prepared the bill and by the committee which considered it that an exception be made of the small farmer. This provision is that if a farmer produces and consumes on his farm 75 percent of the corn or wheat which he raises on the farm and sells 25 percent or less he would not be regarded as a producer for market of the commodity and would not be required to participate in such a program as is contemplated unless he desired to do so.

Mr. AUSTIN. Mr. President, will the Senator yield?

Mr. POPE. I yield.

Mr. AUSTIN. That is a very important statement, as I understand it. I ask the Senator if this is not the situation under the bill, that the farmer to whom he refers, who consumes 75 percent and disposes otherwise of only 25 percent, suffers a disadvantage rather than gains any benefit under the proposed law, namely, that he is not qualified to vote in the referendum upon the question of whether his farm shall have a quota fixed upon it, which limits his liberty to sell; but, on the other hand, farmers who are not so situated as he would vote upon that question which affects him, and if there should not be one-third of those qualified who voted not to have the quota go into effect, this particular farmer the Senator has described would nevertheless be obliged to submit to a quota and be liable for a violation of the law if he made such sales as are described in the bill as unfair practices.

In other words, his predicament under the bill is that of disqualification to vote, but liability to penalty as the result of violating rules that are imposed on him as a sequence or sequel of the vote of others.

Mr. POPE. In answering that question I call the attention of the Senator to the provision at the bottom of page 26 and the top of page 27, which reads as follows:

Such farm marketing quotas shall be established for each farm on which the farmer (whether or not a cooperator) is engaged in producing the commodity for market.

I place special emphasis on the words "for market," because under the provisions to which I have already referred the farmer would not be producing the commodity for market. Therefore he could not be affected by marketing quotas; and he would not, I take it, have the right to vote and would not be interested in the matter.

Mr. AUSTIN. Mr. President, the clause which has just been pointed out relates to the farmer's right to vote and to his qualifications, does it not?

Mr. POPE. Yes. If he were producing for market, he would have a right to vote. If he were not producing for market, he would not have a right to vote, and he would not

be interested in the marketing quotas because he would not come under them when they are established.

Mr. AUSTIN. That provision relates only to the farmer's right to vote. When it comes to his liability, however, the Senator will find that in another provision—namely, on page 28, section 22—there appears the following:

It shall be an unfair agricultural practice for any farmer (whether or not a cooperator) to market * * * in excess of his farm marketing quota established for the commodity unless—

So-and-so. In other words, is he not brought within the penalty provision of the bill and barred from the enjoyment of the franchise provided by the bill?

Mr. POPE. I will say to the Senator that my understanding is very clear that in such a case a farmer would not be subject to the provisions of section 22, on page 28, and he would not be guilty of an unfair agricultural practice, because he would have no quota established for his farm; he would not be subject to a marketing quota and would not be subject to the provisions relating to unfair agricultural practices. If that is not perfectly clear to the Senator, I shall be very glad to submit language making it clear; but my interpretation is—and I think the language is clear enough in that respect—that the producer would not be subject to prosecution for an unfair agricultural practice.

Mr. President, in all fairness to the Senate, I think I should call attention to the definition of the language, "consumed annually on the farm," used in subsection 1, at the top of page 6. That definition appears on page 72, lines 6 to 12. The definition, in substance, is that when the commodity is consumed on the farm by a member of the family, or by the stock that is ordinarily kept on the farm, it is to be regarded as consumed on the farm. If, however, the farmer feeds his commodity to livestock which are sold in the market, then he is to be subject to the provisions of the bill. Most corn is fed to hogs and the hogs are sold. That would be regarded as producing for market. So the two provisions of the bill—the one at the top of page 6 and the definition on page 72—would be construed together.

Then in subsection (2), on the same page, is the provision which exempts a farmer to the extent of 300 bushels of corn. In other words, a farmer producing up to 300 bushels of corn would not be regarded as a producer for market. The producer of 100 bushels of wheat would be in the same category.

However, it will be noted that in the same subsection is contained a provision that such a producer, although he need not regard himself as a producer for market, may, if he desires, sign a contract and obtain the benefits of the bill. That, however, is entirely discretionary with such a farmer.

Then it will be noted that the next provision of the bill deals with Soil Conservation Act payments.

Mr. OVERTON. Mr. President—

The PRESIDING OFFICER (Mr. LEE in the chair). Does the Senator from Idaho yield to the Senator from Louisiana?

Mr. POPE. I yield.

Mr. OVERTON. Can the small farmer who produces less than 300 bushels of corn receive the benefit of this bill?

Mr. POPE. We see by reading the proviso that if he markets 25 percent of his 300 bushels, let us say, he then has the option to become a cooperator. I take it that if he does not sell as much as 25 percent, but consumes it on the farm, he then cannot become a cooperator. That occurs to me as being the proper interpretation.

The Senator from Iowa [Mr. GILLETTE] a few minutes ago stated quite clearly the provision with reference to Soil Conservation Act payments. It will be remembered that under the administration of the Soil Conservation Act there were two classes of payments. Class 1 payments were made for diverting acreage from soil-depleting crops to soil-conserving crops. The other payments were made for observing the general conservation practices. The effect of the provision on page 7 is to withdraw class 1 payments. The term has been changed somewhat in the Department. In effect, the soil-diverting payments will now be withdrawn and the parity payments will take the place of them, but the soil-

conservation practice payments formerly known as class 2 payments will be continued.

Mr. McNARY. Mr. President, will the Senator yield?

Mr. POPE. I yield.

Mr. McNARY. Earlier in the day I thought the distinguished Senator from Idaho stated that the bill made no modification of the Soil Conservation Act and that it remains unimpaired and was applicable to all those who received benefits, say, in 1937; that they would have the same benefits in 1938. The very provision to which the Senator now refers is a drastic modification of the Soil Conservation Act.

As an inducement to the farmer to sign a contract, the hope is held out of assured benefits if he will sign a contract with the Secretary of Agriculture to let him run the farm. If the farmer does not do so, if he exercises any independence as a farmer, if he desires to control his farm, he then is denied, under this section, the benefits he now enjoys under the Soil Conservation Act.

Mr. POPE. So far as the soil-diverting payments are concerned.

Mr. McNARY. Certainly. So, really, this bill effects a very substantial modification of the present act, under which all farmers, without discrimination, enjoy its benefits. The pending bill also does this: If a farmer does not produce a soil-depleting crop like wheat or corn or any of those mentioned here, but devotes his land to soil-conserving crops, and does not sign a contract, he can still have the benefits. That is another very substantial modification of the present act.

So it cannot be said, as it was said earlier in the day, that there is in this bill no modification of the present act. In two respects the language of this amendment very materially modifies the present Soil Conservation Act.

Mr. POPE. I think the Senator from Iowa meant, and I certainly meant in approving his statement, that the same program, the same type of work, the same practices, would be carried on by the farmers and by the Department of Agriculture under this bill; but so far as payments are concerned, there is a modification. I understood the Senator from Iowa to mean that the same type of soil-conserving work would continue. I think we understand each other now—that the same type of work would continue with a variation as to payments, so far as class 1 payments are concerned, under the Soil Conservation Act.

Mr. McNARY. And the payment is the substance of the contract.

Mr. OVERTON. Mr. President, will the Senator yield to me?

Mr. POPE. I yield.

Mr. OVERTON. Referring again to the small farmer who produces less than 300 bushels of corn, would he be eligible to enter into an adjustment contract?

Mr. POPE. That is the same question, as I understand, which the Senator asked me previously. I call his attention to the proviso in subsection 2, under which, if a small farmer produces for market 25 percent or more of his 300 bushels he then would be entitled, if he desired, to become a cooperator, but if he did not sell as much as 25 percent of his 300 bushels, as I interpret the language, he would not be entitled to cooperate.

Mr. OVERTON. I may say to the Senator that I understand that provision, but would the small farmer who produces less than 300 bushels of corn be eligible to Soil Conservation Act payments?

Mr. POPE. Oh, yes; my understanding is he would be, because he is not producing for market within the provision that would entitle him to parity payments under this proposed act. Therefore he would continue to be under the Soil Conservation Act.

Mr. President, to proceed with the bill, at the bottom of page 7 there is a provision for surplus reserve loans. That brings us to what some may regard as a very difficult provision of the bill. It relates to schedule A, which appears later on in the bill. The loans are to be made so far as corn and wheat are concerned according to the terms of schedule A.

I think we may now as well refer to schedule A, which appears on page 21. It will be noted that in the first column of the schedule the heading is:

If the total supply at the beginning of the market year, in terms of a percentage of the normal supply, is as follows:

Up to 100, which represents the normal supply, provided, let us say, that the price of the commodity is less than parity and an ever-normal granary is established by the Secretary under other provisions of the bill, then the corn or wheat farmer is entitled to a loan of 85 percent of parity, and is also entitled to a 15-percent parity payment, which on the basis of a hundred, which represents the normal supply, he would get full parity price.

Mr. McNARY. May I ask the Senator a question here, if it will not disturb him, or would he prefer to continue?

Mr. POPE. No; the Senator may proceed.

Mr. McNARY. We are dealing, of course, with wheat and corn, and the hundred percent represents—

Mr. POPE. The normal supply.

Mr. McNARY. And at parity price?

Mr. POPE. No; it would not represent parity price. In order to make a loan, according to another provision, it would have to be under parity price.

Mr. McNARY. Would it represent the average current price?

Mr. POPE. No; the parity price or the average current price may or may not be the same thing. The average current price, of course, means the average price for a given time.

Mr. McNARY. I thought the Senator said a moment ago that if a farmer desired a loan—and I assume the loan is to be on the ever-normal granary theory, is it not, which we have not as yet reached?

Mr. POPE. Yes.

Mr. McNARY. The figure 100 represents the index of the highest loan that could be procured?

Mr. POPE. No; the 100 in this table represents the normal supply.

Mr. McNARY. And what does the 85 figure represent?

Mr. POPE. That represents the percentage of parity at which the loan may be made.

Mr. McNARY. Then, under the ever-normal-granary idea, if I have on my farm 500 bushels of corn and it is worth, we will say, a dollar a bushel, could I get \$850 if the corn were stored in the ever-normal granary?

Mr. POPE. Is the Senator assuming that a dollar a bushel would be parity or the actual price?

Mr. McNARY. I am assuming a dollar a bushel is the average current price or the current price or spot price, whichever it may be called. I have 500 bushels, we will say, in this ever-normal granary; I want to get a loan on it to meet an obligation in the bank, and on that day the spot price of corn is \$1 a bushel, we will say; what loan could I obtain then?

Mr. POPE. At a dollar a bushel that would be a matter of calculation. I think I have a calculation based on that assumption.

Mr. McNARY. I do not want to put the Senator to any trouble about the matter, but I thought, inasmuch as the table is here and he was trying to demonstrate it, that the case put by me was a very simple one, the simplest one that I could conceive of, and that he could probably tell me from the table.

Mr. POPE. Let me give the Senator an illustration, which I think will satisfy his mind. Let us assume that the current average price is a dollar but the parity price is \$1.20. The farmer would be entitled to an 85-percent loan, which would be 85 percent of \$1.20. It requires some calculation, very naturally, to explain the matter to the Senator, but the farmer would be entitled to 85 percent of parity. That would be the amount of his loan. At the end of the year he would be entitled to 15-percent parity payment, unless such 15-percent payment brought him up above parity when added to his loan, and then he would get only 20 cents, which would

be the difference between the current average price and parity, for the purpose is never to pay, in the end, to the cooperator and borrower more than the parity price.

Mr. McNARY. Then, using my homely illustration again, he would get 85 percent of the parity price whenever he sought a loan; and at the end of the marketing year, if the total supply did not exceed the normal supply, he would get 15 cents a bushel more?

Mr. POPE. No; he would get 15 percent of parity more.

Mr. McNARY. He would get 15 percent of parity in addition to the loan he had secured?

Mr. POPE. That is correct.

Mr. McNARY. Is there any other source from which he might get money if the 15 percent plus the loan should not equal the parity price?

Mr. POPE. It would equal it if the supply remained at 100, but if the supply increased then the percentage would be changed.

Mr. McNARY. If the supply went up the farmer would get less?

Mr. POPE. That is correct.

Mr. McNARY. And if it went down and price levels went up, he would get more?

Mr. POPE. That is correct.

Mr. McNARY. Certainly; so we are in accord on that.

If my neighbor took his corn to market 6 months later, he being able to get along without the loan which I was forced to make on account of pressing obligations at the bank, would the parity price remain the same or remain frozen during that 6 months?

Mr. POPE. If he made application for a loan, and the normal supply had increased substantially, then, he would obtain a loan on the basis of the percentages set out in the table.

Mr. McNARY. I will use that. In Iowa I should say the frugal farmer harvests his corn in October. Assuming he gets 85 percent under the formula the Senator from Idaho and I have just discussed, and he holds that corn in his granary on his farm until the following March, does the parity price, so far as it affects his ability to receive more than under this formula, remain the same?

Mr. POPE. I think I should call the Senator's attention, in answer to that question, to the heading over column 1, which reads, "If the total supply at the beginning of the marketing year," and so forth. The total supply at the beginning of the marketing year seems to control the figures which appear in column 1.

Mr. McNARY. If the bill becomes a law, I want to see it function. I am not asking this as a catch question. I want to ascertain its practical application. This would be after the marketing year. I am using the marketing period beginning, say, November 1. The farmer gets a loan on his 500 bushels of corn on the basis of 85 percent of parity price. His neighbor does not want a loan until the following March, when he applies for it. Is his neighbor then to get 85 percent of the parity price the same as the farmer did in September, or does the neighbor suffer a loss in credit, or a gain?

Mr. POPE. As I understand, since the total supply is calculated as of the beginning of the marketing year and would continue, I take it, through that year, then they would both be entitled to the same loan even though one of them asked for it 6 months after the other.

Mr. McNARY. If I may be pardoned, I do not think that would be the answer, because the total supply would not be the same in September as it would be the following March. It would be greatly reduced. Does the reduction of the total supply have any effect upon the parity price so far as obtaining a loan is concerned?

Mr. POPE. It might have an effect upon the parity price, but it would not have any effect upon the percentages contained in the first column of schedule A. The Senator will understand the total supply at the beginning of the marketing year is the basis for the time when the figures in column

1 shall apply. In the meantime if the parity price changes and the percentage remains the same, then, of course, it would change the amount of his loan.

Mr. McNARY. I think both of us had better leave this to some expert in the department, if we can find one who can do the job. It is difficult to support legislation that one cannot understand or himself explain.

Mr. POPE. I may say to the Senator that I have made numerous calculations in figures on the basis of the table, and they are much more understandable, because it is difficult to use words to explain definitely the figures and the calculations.

Mr. McNARY. Let me propound this question, and then I shall not pursue the analysis of this very difficult table further. The loan value of the farmer's product is here based on the ever-normal granary and the parity price.

Mr. POPE. Yes.

Mr. McNARY. As I stated a while ago, supposing the current average price of corn is \$1.10 a bushel, or the spot price is \$1.10 a bushel, what would be the difference between that price, if he wanted to sell it in the open market, and the parity price if he wanted to obtain the loan through the Corporation?

Mr. POPE. The Senator will readily see there is a provision in the bill authorizing the Secretary to calculate parity prices from time to time; but assuming that the supply is normal and that the parity price is \$1.20 on wheat and the average farm price or current farm price is \$1.10, in that case the parity payment would be 10 cents to bring the amount he obtained up to parity, and the loan would be 85 percent of \$1.20. In that way one can come down the columns of the schedule and take in the situation as to the total supply and calculate just what the loan would be and what the fair exchange would be.

Mr. McNARY. Then the Senator thinks if we were chosen to administer the law we would have no difficulty?

Mr. POPE. I do not say we would have no difficulty, because I do not know of any law that can be administered without difficulty. The question is whether it is fair and practicable. The reason why the percentage of loan goes down as the total supply increases is to encourage the farmer to participate in the program of keeping down the supply. For instance, when total supplies are up to 114 or more, the loans the farmer could obtain at the parity price would only bring him 82 percent. The important thing about the schedule is to recognize that fact that a rather carefully prepared list of percentages is worked out with the intention of requiring the farmer who increases the total supply of commodities to participate in the sacrifice that has to be made in connection with it.

Mr. McNARY. The figure 114, then, means the total supply is 14 percent higher than the normal supply?

Mr. POPE. That is correct.

Mr. McNARY. That being so, instead of 85 percent, he would get 52 percent. Instead of getting \$85 at the bank on every \$100 worth of corn, he would get \$52.

Mr. POPE. He would get 52 percent of the parity price as a loan instead of 85 percent as when the supply was normal.

Mr. McNARY. That is the way the Senator analyzes the table as it goes from 100 down to 114?

Mr. POPE. Yes, or up to 114 in total supply. That is correct.

Mr. GILLETTE. Mr. President, will the Senator yield?

Mr. POPE. Certainly.

Mr. GILLETTE. As I have been reading the provision, with reference to the Surplus Reserve Loan Corporation, a question came to my mind and I would like to have the Senator to comment on it. We have, as the Senator knows, the Commodity Credit Corporation, which we have extended to 1939, organized under the laws of the State of Delaware and empowered to make loans on warehouse farm products. Incidentally we have that \$93,000,000 of capital stock in commodities credits. We are providing now to set up the Surplus

Reserve Loan Corporation with a capital stock of \$100,000,000, which we are subscribing and authorizing them to issue. I am wondering to what extent those two agencies will parallel or overlap or interfere with each other in the making of loans?

Mr. POPE. I think that is a very fair question to raise. At the time the bill was prepared, a separate organization or corporation was authorized for the purpose of making loans under the bill if it should be passed. Whether or not the same organization which is already in the field making loans could be used for this purpose is a matter which I think we should consider. I could not answer the Senator now as to what ought to be done about it, or whether or not we could strike out the provision for creating this corporation and utilizing that one; but I am glad the Senator has raised the question, in order that we may consider it.

With reference to the provisions as to surplus reserve loans which appear on pages 7, 8, and 9, there are certain restrictions and regulations which I think are clear.

Mr. McNARY. Mr. President, will the Senator bear with me a moment?

Mr. POPE. I yield.

Mr. McNARY. The language in italics on page 9 was not in the bill when hearings were held, nor even when free discussion was had. How does the Senator interpret that language? What is it in there for, and who caused its insertion?

Mr. POPE. I will answer the questions in inverse order. The Senator from Mississippi [Mr. BILBO] offered the amendment, and I should like to have the inquiry regarding it deferred until he may have an opportunity to explain his purpose in offering the amendment.

Mr. McNARY. Very well. I shall be very glad to relieve the Senator from Idaho from that obligation and wait until the Senator from Mississippi is in the Chamber.

Mr. POPE. The provision beginning at the top of page 10 provides for parity payments for cotton, wheat, and corn. I think the discussion of the Senator from Oregon with reference to schedule A probably makes unnecessary any particular reference to the provision for parity payments.

Mr. AUSTIN. Mr. President, may I ask the Senator a question?

Mr. POPE. I yield to the Senator from Vermont.

Mr. AUSTIN. Is the receipt of the benefit or payment provided for in section 6 dependent on cooperation for one thing, and production within the quota for another thing?

Mr. POPE. Yes.

Mr. AUSTIN. Now, let me ask whether the right to payment is in any way affected by conformity to the marketing quota.

Mr. POPE. It is not. They are two entirely separate acts and have no relation to each other in that respect.

Now, we go to the top of page 12.

Mr. McNARY. Mr. President, will the Senator permit me again to interrupt him?

Mr. POPE. I yield.

Mr. McNARY. I ask these questions because the bill in its present form is not in the form in which I saw it on Saturday, and I did not attend the session on Sunday.

On page 10, line 18, the following language appears:

Such payments in case of wheat and corn shall be paid on the aggregate normal yield of his soil-depleting base acreage for the commodity.

That seems to make an exception in the case of corn and wheat, which is not applicable to the other commodities named in the bill.

Mr. POPE. I will say to the Senator that that provision relates to cotton, wheat, or corn. There is in the bill, in the cotton section, a provision that loans may be made on cotton at the discretion of the Secretary of Agriculture, with the approval of the President, and they are not subject to schedule A. That provision applies to cotton. Corn and wheat come under schedule A. With reference to parity payments, however, I will say to the Senator that cotton will

receive parity payments, as I understand, on the basis of schedule A to the extent to which funds may be available for making such payments.

Mr. McNARY. Mr. President, will the Senator permit a further statement?

Mr. POPE. I yield to the Senator from Oregon.

Mr. McNARY. Without again quoting the language I read a few moments ago, the provision found on page 10 is related, is it not, to the soil-depleting base acreage found on page 14?

Mr. POPE. No. As to cotton, I will say that it is not related, if the Senator please, because in the cotton section of the bill there is provided another method of determining the base acreage as to cotton. The base acreages contained on pages 14 and following relate only to corn and wheat.

Mr. McNARY. Yes; but in the bill as introduced and as studied throughout the country and as brought before the committee up until Sunday—that is the day on which the bill was reported out—the national soil-depleting base acreages for all these commodities were specified.

Mr. POPE. Yes.

Mr. McNARY. Now, I observe the provision as to cotton—45,500,000 acres—has been stricken out.

Mr. POPE. Yes.

Mr. McNARY. The item as to wheat has been retained, excepting that in the last version of the bill the acreage has been increased by 4,400,000 acres.

Mr. POPE. Oh, no! With reference to wheat, I will say that white wheat and red hard wheat were added together, so that wheat covers the base acreages of both kinds.

Mr. McNARY. Very well. In the item of wheat—67,400,000 acres—all wheat is included.

Mr. POPE. Exactly. It is just an addition of the figures which were originally in the bill.

Mr. McNARY. I appreciate that. When it comes to corn the same soil-depleting acreage as before is used.

Mr. POPE. The same as before.

Mr. McNARY. But when it comes to rice and tobacco of various types they are out. So at this time a different base acreage is used in relation to wheat and corn than in the case of the other products, namely, cotton, rice, and tobacco.

Mr. POPE. Yes; for the reason that the Senators on the committee who represent cotton, tobacco, and rice States desired a slightly different method of determining the allotted acreage than the corn farmers seemed to desire, as indicated in this provision of the bill which relates only to wheat and corn. We tried to follow the wishes of the Senators and the farmers from the different sections.

Mr. McNARY. I assume that the acreage given here, and called the national soil-depleting base acreage, is the maximum acreage which could be devoted to the production of any crop.

Mr. POPE. Not any crop, but wheat and corn.

Mr. McNARY. Any crop mentioned in the bill?

Mr. POPE. Yes.

Mr. McNARY. It has no relation to the crop which may actually be cultivated for that purpose, but it cannot go any higher.

Mr. POPE. I think I may answer the Senator's question in this way:

The base acreages set out in the bill are the acreages which represent substantially a 10-year average period. That is particularly true as to wheat. As to corn, the bill represents practically a 5-year average; but those are the figures which the farmers representing the wheat and corn areas desired. Then those figures were used as a base, with deductions from year to year of amounts that the Secretary may determine.

In the cotton and tobacco and rice sections of the bill it was desired to make a different approach in the allotment of acreage. Instead of designating a base acreage in the Nation and then calculating the reduction on that, it was decided, in effect, to start new and designate the amount of

acres that were necessary and desirable to produce the normal amount of the commodity. So there is a slightly different approach in the method appearing here with reference to corn and wheat and the method appearing in the parts of the bill relating to cotton, tobacco, and rice; but I am assured by the Department that substantially the same results will be attained by either method.

Mr. McNARY. Mr. President, I should like to pursue that a little further, but I shall make a request of the two able Senators in charge of the bill. I know the Senator from Idaho must be tired, and would he not be willing to conclude at this time until Friday?

Mr. POPE. That is agreeable to me.

Mr. McKELLAR. Before that is done, will the Senator tell me where to find in the bill the title covering cotton?

Mr. MILLER. It begins at page 31.

Mr. McKELLAR. I thank the Senator.

Mr. POPE. I should like to have any Senators who have questions with reference to the allotment of cotton acreage defer them until the Senator from Alabama [Mr. BANKHEAD] or other Senators interested in the production of cotton may be on the floor.

Mr. McNARY. I think that is a very fair request, I appreciate the situation.

Mr. POPE. If it is agreeable, I shall be glad to defer any further statement in the matter until the Senate shall convene again.

MESSAGE FROM THE HOUSE—ENROLLED JOINT RESOLUTION SIGNED

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the Speaker had affixed his signature to the enrolled joint resolution (H. J. Res. 516) to provide for certain expenses incident to the second session of the Seventy-fifth Congress, and it was signed by the Vice President.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

There being no objection, the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF COMMITTEES

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

Mr. PITTMAN, from the Committee on Foreign Relations, reported favorably the nomination of William Dawson, of Minnesota, formerly Envoy Extraordinary and Minister Plenipotentiary to Colombia, to be Envoy Extraordinary and Minister Plenipotentiary to Uruguay, vice Julius G. Lay, retired.

He also, from the same committee, reported favorably the nominations of sundry officers in the Diplomatic and Foreign Service.

The PRESIDING OFFICER (Mr. LEE in the chair). The reports will be placed on the Executive Calendar.

If there be no further reports of committees, the clerk will state the nominations on the calendar.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. Mr. President, I ask unanimous consent that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations of postmasters are confirmed en bloc.

That completes the Executive Calendar.

RECESS TO FRIDAY

The Senate resumed legislative session.

Mr. BARKLEY. I move that the Senate take a recess until 11 o'clock a. m. on Friday next.

The motion was agreed to; and (at 4 o'clock and 35 minutes p. m.) the Senate took a recess until Friday, November 26, 1937, at 11 o'clock a. m.

CONFIRMATIONS

*Executive nominations confirmed by the Senate November 24
(legislative day of November 16), 1937*

POSTMASTERS

CALIFORNIA

William D. Tracy, Buttonwillow.
Aileen L. Devine, Calpine.
Agnes M. Falck, Del Paso Heights.
Carl R. Sensenbaugh, Empire.
Charles M. Rice, Hamilton City.
Emelia S. Schutt, Lafayette.
Marie J. Smoot, Mendota.
Elaine Todd Davis, Mentone.
Floyd M. Filson, Tennant.

GEORGIA

Herbert H. Maxham, Austell.
Luther P. Goolsby, Carlton.
Bessie E. Meeks, Kite.
Elliott Redding, Lake Park.
Odessa M. Shepherd, McIntyre.
Don W. Pettitt, Nelson.
May M. Walker, Patterson.
Estelle C. Tapp, Powder Springs.
Floy F. Barnett, Resaca.
Alice V. Ethridge, Sparks.

HAWAII

Isaac D. Iaea, Jr., Wailuku.

IDAHO

Ruth E. Lindow, Avery.
Maude M. Howe, Donnelly.
Bessie B. Todd, Melba.
Logan M. Bowman, Payette.
Edwin N. Kearsley, Victor.

MARYLAND

Patrick E. Conroy, Barton.
James A. Hayman, Fruitland.
Henry F. Himburg, Mayo.
Wylie L. Donaldson, Odenton.
Cecil E. Trinkaus, Oella.
Jennings R. Richards, Westover.

MICHIGAN

Gabriel J. Chopp, Ahmeek.
James D. George, Crystal.
Lawrence Tobey, Free Soil.
Fred O. Grover, Middleton.
Ferdinand F. Siegmund, New Buffalo.
Elwin E. Ritchie, New Troy.
John O. Grettenberger, Okemos.
Gordon D. Dafeo, Owendale.
William H. Riecki, Palmer.
Matti Halmet Oja, Pelkie.
Erick W. Wallbom, Trout Lake.
Joseph D. Norris, Turner.
August V. Jacober, Waterford.

NEBRASKA

Edith F. Francis, Belden.

NEW YORK

Clayton F. Smith, Blue Mountain Lake.
Mary Young, Cornwall Landing.
Joseph C. English, Depew.
William Burns Kirk, De Witt.
Edward M. Youmans, Eagle Bay.
Agnes H. Brink, Endwell.
Henry J. Myer, Haines Falls.
John H. Joyner, White Sulphur Springs.

VERMONT

Murray K. Paris, Lyndon.
Adelbert G. Dudley, Shoreham.

WISCONSIN

Haylor G. Koziczowski, Amherst Junction.
Archie L. Foley, Dalton.

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Kenneth E. Whistler, Downing.
Lester H. Olsen, Egg Harbor.
Winfield A. Rogers, Ellison Bay.
George H. Reinders, Elm Grove.
Ludy J. Drolson, Lake Nebagamon.
Charles D. Cross, Larsen.
Jennie Ruid, Loretta.

HOUSE OF REPRESENTATIVES

WEDNESDAY, NOVEMBER 24, 1937

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Heavenly Father, be attentive unto our supplication. According to Thy name is Thy praise unto the ends of the earth. Bless us with the mercy of grateful hearts as we stand in the foreglow of our Thanksgiving Day. Let everything that is human and temporal be beautiful in the light of the divine. Open the floodgates of our hearts and let a great tide of gratitude surge through our souls. We thank Thee for our Republic, which has not been thrown into medieval warfare, and we rejoice as we look over this turbulent earth that we are at peace and the happiest people under the skies. We praise Thee for our broad, fruitful acres, for the fountains that spring out of valleys and hillsides, and for bread without scarceness. Teach us, O Lord, that the essence of Christian heroism is to be good to the poor and the desolate. Richly bless those whose hearthstones have little left but the gray ashes of broken loves. Oh, may their dawn be near the breaking. Preserve the health of our President and bestow upon the Congress rich and abundant blessings, and may we all hear the call of the higher music of God. For the dear Redeemer's sake. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H. J. Res. 516. Joint resolution to provide for certain expenses incident to the second session of the Seventy-fifth Congress.

THE LATE ALBERT SIDNEY BURLESON

Mr. LYNDON JOHNSON. Mr. Speaker, I ask unanimous consent to proceed for 3 minutes out of order to announce the death of a former Member of this body.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. LYNDON JOHNSON. Mr. Speaker, it is with profound sorrow—and with a deep sense of poignant personal loss—that I announce to the Members of the House of Representatives this morning, the death of one of the most distinguished public servants the State of Texas has given the Nation—Albert Sidney Burleson.

General Burleson died this morning at the age of 74 years at his comfortable old Texas colonial home deep in a grove of hill-country trees and shrubs, in the heart of the business district of Austin. The end came suddenly, and without the agony and wretchedness which so often make the close of life a burden and a cross. It came as he would have wished it, in the midst of a busy life in his community, a life ennobled by a zealous interest in everything occurring about him.

General Burleson was born in San Marcos, Hays County, Tex., on June 7, 1863. He was educated in the public schools of Texas and admitted to the Texas bar after his graduation from the University of Texas at Austin in 1884.

After serving in public offices of his own county and city, he was elected to the Fifty-sixth and the seven succeeding Congresses. He resigned as a Member of this body, in which his long and meritorious service won him outstanding credit and acclaim, to accept an appointment as Postmaster

General in the Cabinet of President Wilson. He served in this capacity from March 6, 1913, until March 4, 1921. His place in this hall was taken by the late James P. Buchanan, of Brenham, who died in February of this year. General Burleson was the only living ex-Congressman from my district, the Tenth of Texas.

General Burleson won distinction as a public servant because of his sound and studied judgments, his passion for exact knowledge and an ever-extending field of knowledge. His inherent qualities of deep understanding and broad interpretation of things as they are, was ever an inspiration to his associates in every walk of life, in every field of endeavor. He did not live in a theoretical world, but in a practical world, a world he believed could be made better and should be made better by the ministrations of public servants who were bound up in their opportunities for progress. His public offices, as his life, were sacred trusts.

After his retirement from the Cabinet, in which he won for himself the distinction of one of the greatest postal administrators this country has ever known, General Burleson returned to Texas, where he engaged for several years in agricultural and business pursuits. Of later years he has spent his time in the midst of his books, papers, and mementos of the past, but he has kept strictly abreast the times.

One of the qualities in General Burleson which not everyone had the privilege of knowing was his interest in and championship of the young man just coming up to cut his own swath in the world. Unlike many men who have put an illustrious career behind them to seek solace in their own devices, his was an unswerving devotion to new blood, new ideas, new methods, new truths. The young man who came under his wing could call himself fortunate indeed. For in his counsel and advice, his fatherly assistance in a thousand little ways, he brought to bear the full scope of his own background, applying it to the new order. He was one of those rare creatures who seems never to have a past, for whom there is only a present.

Only a few days before I left Austin to come to Washington for this special session of Congress I had the privilege of spending a part of a day with him in his study. Although he knew I was a freshman Congressman, a rank amateur in the light of his vast background of experience, training, and accomplishment, he immediately took it upon himself to divest me of any sense of newness or youth which I might have and to impress upon me that it was logical and in order for me to go ahead in confidence and in faith, as he himself might do.

He talked long and thoughtfully about the farm legislation to come up before this Congress, and he imposed upon me the duty to give it my fullest thought, attention, and study. He knew every new development of the long program—where the past had shown failures where the present provided problems, and where the rocks lay for the future. He gave me many signs to travel by which I shall not forget.

When I left Texas for Washington last spring to take my oath before this body he handed me a little note, written in lead pencil on the back of an old paper sack. "Take this with you," he told me. "It is a prediction I made a few weeks ago." I took it with me, and when I boarded President Roosevelt's train, en route back to Washington from his vacation on the Texas coast, I showed that sack to the President. The memorandum concerned the special election last April 10, in which I was sent to Congress. It was an exact forecast of the results, with one minor exception. I tell you this to show you how acute he was, how informed, up to his last hour.

Texas has lost a living, vital force—a breath out of its past to exhilarate, not to deaden and dampen its future. It has lost one of its greatest men out of its great heritage.

The Nation has lost a man who loved it and served it with all his force, and heart, and mind.

I, a young man, have lost a venerable friend—a friend as close to me, perhaps closer, than any young man could be. I do not believe I could pay him a higher tribute of love, regard,

and respect than to say that, as I say it, from the deepest well of my sincerity.

THE LATE HORACE M. TOWNER

Mr. THURSTON. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes to announce the death of a former Member of the House.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. THURSTON. Mr. Speaker, it is seldom that one person has the privilege of serving in the three coordinate branches of our Government, but that distinction was accorded to the Honorable Horace Mann Towner, one of my predecessors, whose death I announce to the House of Representatives.

Horace Mann Towner was born in Belvedere, Boone County, Ill., October 23, 1855, and died at his home in Corning, Iowa, November 23, 1937.

The subject of this sketch completed a literary course in college, and thereafter graduated in law, and was admitted to practice his profession in the year 1877. He was elected one of the judges of the third judicial district of the State of Iowa in 1890 and served in this capacity until he was elected to Congress. Because of his high attainments as a student of the law, and particularly constitutional law, he was called by the State University of Iowa to teach this branch and was a member of the faculty of the college of law of that institution for about 10 years.

Judge Towner was elected to the House of Representatives and commenced service in that body March 4, 1911; was elected from time to time, resigning from the House on April 1, 1923, to accept the position as Governor of Puerto Rico. Because of his unvarying fairness and his ability to sense the real matter at issue in a legal proceeding, Judge Towner was regarded as one of the best trial judges who ever occupied the bench in the State of Iowa. He had often been urged to become a candidate for the supreme court in our State, but on account of his desire to engage in national affairs, he thus refused to be considered for a position which he undoubtedly could have attained with little effort.

During his service as a Member of the House of Representatives, Representative Towner seldom had opposition for the nomination in his own party, and because of his popularity with all classes of people in the district, he rarely had strong opposition to contend against in the general elections. His predecessor served 11 terms; and doubtless Representative Towner could have equaled or excelled that record, had he not voluntarily resigned to enter the third field of public service.

While in the House of Representatives, Representative Towner gave particular attention to our island possessions and was a member of the Committee on Insular Affairs, also chairman of that committee for several years. Thus he became thoroughly acquainted with the policies of our Government in these outlying districts and also learned about the current problems of administration in our islands located in two hemispheres.

In 1923 Judge Towner was appointed Governor of the Island of Puerto Rico and immediately assumed his duties as administrator over the one and one-half million people residing in that Spanish-speaking part of the United States. Because of the lack of any definite policy in regard to the government or the people of this island, and with poorly planned income of revenues, almost the entire administrative field had to be changed to meet changing conditions there. The reorganization of the finances, and general course of government was brought about, which resulted in stability and progress of a marked character. During Governor Towner's administration a new capitol building was erected, which was distinctive in architecture, and was admirably adapted for the purpose for which it was built. A modern prison was constructed, a leper colony was also provided, and these two institutions were matters of great personal interest to the Governor. These buildings now stand as monuments to his administration.

The people of Puerto Rico, whether in official or private life, were greatly impressed with the fair yet businesslike administration which was brought to them by this outstanding citizen from the mainland. Governor Towner ended his service in Puerto Rico on September 29, 1929.

In the judicial field Judge Towner ranked among the leading lawyers of his State. As a Member of the House of Representatives, Representative Towner was known as a parliamentarian, one of the best-posted Members on the history of the United States, and frequently presided over this body with both tact and firmness. Governor Towner's service in Puerto Rico ranks high among the administrators of our island possessions.

While the State of Iowa was not formed during the early part of our Government, the names of Allison, Kirkwood, Harlan, Shaw, Wilson, Hepburn, Dolliver, Henderson, Lacey, Hull, Cousins, Good, and Cummins stand out as a contribution second to no other State since the admission of Iowa to the Union, and the name Towner is entitled to be included in the galaxy of statesmen supplied by Iowa to the Nation.

EXTENSION OF REMARKS

Mr. DeMUTH. Mr. Speaker, I ask unanimous consent to extend my remarks and to include therein a radio address made at the ground-breaking exercises in connection with a flood-control dam built at Crooked Creek, Pa.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. REED of New York. Mr. Speaker, I ask unanimous consent that, following the special orders of today, I may address the House for 15 minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. DUNN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. DUNN. Mr. Speaker, the Members of Congress who believe in the eradication of sweatshops and the abolition of child labor should not hesitate to sign the wage and hour petition. If the fair labor standards bill is enacted into law, undoubtedly a great deal of good will be accomplished. The abominable sweatshops and child-labor practices will be terminated.

LEAVE OF ABSENCE

Mr. KERR. Mr. Speaker, I ask unanimous consent for an indefinite leave of absence for my colleague the gentleman from North Carolina [Mr. WEAVER] on account of illness in his family.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

EXTENSION OF REMARKS

Mr. PATTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including a statement with respect to the position of the Senator from Texas [Mr. CONNALLY] in reference to the antilynching bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

PURE FOOD AND DRUGS BILL

Mr. REES of Kansas. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. REES of Kansas. Mr. Speaker, we listened with a considerable amount of interest yesterday to the leadership of this House with reference to the progress that has been made thus far during the session. We were disappointed in

not having any information or advice as to the plans for the remainder of the special session.

We were called into special session because the President said there were emergencies at hand which required the immediate attention of Congress. This Congress has been in session for 10 days. It appears now that 2 weeks will pass and no legislation will have been enacted, except a bill that provides for the loaning of some portraits to the Constitution Sesquicentennial Commission. At the present moment we do not even have bills for consideration in line with the President's message. There are a number of important bills that have remained on the calendar since last August, and which have been recommended for passage by the committees having them in charge. It appears, however, that under the present program we are not supposed to bring those bills up for consideration at this special session.

With this plan I cannot agree. Congress is here at the expense of the taxpayers of this country. It has cost the Government several hundred thousands of dollars to bring the membership back into special session. Why not use the time and give consideration to those measures which are on the calendar and are of major importance? The least thing we could do is to consider these measures until the administration's proposed legislation is ready for our consideration.

I have in mind at this time, among those measures now pending, the pure food and drug bill, known as the Copeland bill. It was introduced in the Senate in January of this year and passed by that body during March. The bill was finally recommended for passage during the closing days of the last session. The bill as submitted to the House has, in my opinion, been amended in such respects as to take out some of the most important and better features of the bill. Nevertheless, even in its present form, I believe it ought to come to the floor for consideration.

We talk about emergency measures. This is a measure which can well come under this classification. If there ever was need for legislation on food and drugs for this country, that time is right now. Newspapers and periodicals are crowded with information and of incidents where individuals and companies have taken advantage of people by the hundreds and the thousands, by falsification of advertising and adulteration as well as misbranding of foods and medicines.

To bring the problem closer home, we have the horrible example which occurred only a few weeks ago, when a concern in Tennessee was permitted to sell a drug known as elixir of sulfanilamide that has resulted in not only the illness of numbers of people, but, according to information received from the pure food and drug department, at least 73 innocent people have died from using this misbranded and misrepresented drug. These people thought they had a right to rely upon statements made concerning this deadly drug. To make matters worse, so far as we can ascertain, nothing has been done regarding this tragedy except that a slight investigation has been made. I am advised by those who are informed on the subject that the only thing that can be done to a party who misbrands a drug, even though it may take the lives of innocent people, is to impose a fine of not more than \$200, if he is convicted of the crime.

Not since 1906 has anything been done to improve the pure food and drug law that is now in force. The law at that time was one of the greatest steps that had been taken by Congress. It was a compromise measure but was the best that could be done in view of the opposition that was registered against it.

Although the present law was not written by men of experience, it is good so far as it goes. The present measure did not anticipate the present mode of commercial practices, and of course made no provision for them. Many weaknesses have been discovered by the enforcement officials in their efforts to administer the present statute. During the entire 31 years in which the law has been in force, many defects have been brought to light by reason of judicial interpretations. Even then, it has been amended only in four minor respects.

During the last 4 years bills have been pending before Congress which have provided for the constructive amendment and enforcement of the pure food and drug law, but in each and every case these bills have either been killed in the committee or amended in such a way that they became ineffective.

It seems to me that if we can get this bill up for consideration, that the membership of the House will and should take enough interest—for once in 30 years—to give consideration to the protection of the health and lives of the citizens of this country, rather than to give protection to those individuals and those manufacturers who put their private interests and the making of their private fortunes above the rights and protection of human health and human happiness.

The people of this country certainly have a right to be protected against false advertising and false statements, and should have a right to rely upon the advertising and statements made by manufacturers concerning the food and drugs they consume. They should have a right to rely upon the statements that are made through the newspapers and periodicals of this country, as well as over the radio, as to the qualities and contents of the food and drugs which are sold to the public.

Those persons who seek to take advantage of folks through false advertising or false statements should receive the same punishment and the same consideration as they would in a court where they are guilty of committing libel or slander.

Honest manufacturers and dealers have nothing to fear by such legislation. They should favor it. Newspapers that want to protect their readers from false and misleading advertisements should support this legislation. It is legislation that is for the best interests of the people. It has the urgent support of both major political parties. Four years ago the President supported this legislation. This House should not be affected by selfish influences and powerful interests. It should pass a real, honest, forceful, and constructive pure food and drug bill.

Let Congress have in mind the American consumers of this country who are looking for protection against those individuals who would put their own economic gain above the welfare of the people of their land. If there ever was an important piece of legislation pending before Congress, this is one of them. The responsibility for the passage of an effective, workable pure food and drug bill lies with this Congress. In view of recent experiences we should give immediate attention to this important question.

It seems to me that it is high time this Congress, instead of giving consideration to the question of the loaning of portraits to a picture gallery, or other trifling matters, should get down to business and give consideration to the problems that are of vital importance to the health, the welfare, and the happiness of the people of this country.

The bill is on the calendar. Why not bring the measure up for consideration right here and now?

The SPEAKER. The time of the gentleman from Kansas has expired.

DEATH OF FORMER REPRESENTATIVE SAMUEL J. NICHOLLS, OF SOUTH CAROLINA

Mr. MAHON of South Carolina. Mr. Speaker, I ask unanimous consent to proceed for 1 minute to make an announcement.

The SPEAKER. Is there objection?

There was no objection.

Mr. MAHON of South Carolina. Mr. Speaker, it is with profound sorrow that I announce to the Members of the House the passing this morning in Spartanburg, S. C., of the Honorable Samuel J. Nicholls, a former Member of the House from the Fourth District of South Carolina.

EXTENSION OF REMARKS

Mr. CARLSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a letter I have written to the State Department in respect to the reciprocal trade agreement with Great Britain.

The SPEAKER. Is there objection?

There was no objection.

THE TRANS-PACIFIC AIR SERVICE

Mr. MEAD. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. MEAD. Mr. Speaker, today the *Hawaiian Clipper* leaves San Francisco to begin the third year of the trans-Pacific service. America's first transoceanic air-mail service has been in operation for 2 years and is without parallel any place in the world. It is the only over-the-ocean passenger-carrying service that exists. It has completed 162 scheduled flights without a forced landing or accident of any kind, covering 1,288,773 miles in regular service, or 96 percent of its scheduled mileage. This indicates that America has made greater progress in commercial aviation than any other nation in the world.

The trans-Pacific service has increased its mail volume this year over that of last year by 173 percent. The first year it carried 954,730 letters; the second year it carried 2,608,246 letters, doubling, almost tripling the first year's performance. More than half a ton of mail is being carried weekly from California to China by air, or about 230,000 letters every month.

The passenger service is increasing. Nearly 2,000 persons flew the Pacific in the past year, a record of some 7,931,312 passenger miles.

The cargo-carrying department shows even bigger figures. Since schedules were started across the Pacific the clippers have carried 505,944 pounds of cargo in addition to passenger and mail loads. Serum and other medical supplies have been rushed across the ocean to the Orient; news reels of the bloody conflicts now being waged in China have been flown to the States; practically everything that could be put aboard has been sent by air.

ADJOURNMENT OVER

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Friday next.

Mr. CHURCH. Mr. Speaker, I reserve the right to object to ask the floor leader if he can find out from the Ways and Means Committee, or its chairman, whether the following statement appearing in the morning paper, the Washington Post, is true, that there will be no final action on this reduction of taxes on business until the regular session?

Mr. RAYBURN. Mr. Speaker, the gentleman can get that information from the Ways and Means Committee, who are in charge of such matters. I do not have the information the gentleman refers to.

Mr. CHURCH. Mr. Speaker, I think there is every indication that the leadership of the New Deal is not going to bring into this session any legislation that is going to liberate business, thereby giving jobs to the millions who are in need and who also desire to celebrate Thanksgiving.

Mr. RAYBURN. Mr. Speaker, I did not yield to the gentleman to make a speech.

Mr. CHURCH. I am going to make a short statement under my reservation, or I shall object.

Mr. RAYBURN. The gentleman may object if he wishes to do so.

Mr. CHURCH. I object.

The SPEAKER. Is there objection to the request of the gentleman from Texas that when the House adjourns today it adjourn to meet on Friday next? The gentleman from Illinois objects.

EXTENSION OF REMARKS

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to insert in the RECORD a letter of complaint made to the N. L. R. B.

The SPEAKER. Is there objection?

There was no objection.

CALENDAR WEDNESDAY BUSINESS

The SPEAKER. Under the rules of the House this is Calendar Wednesday. The Chair directs the Clerk to call the list of committees, beginning with the head of the list, and in order that there may be no confusion about the matter of what committee shall be called first on this call, the Chair directs attention of the House to the last proviso of the Calendar Wednesday rule, in the following language:

Provided, That when, during any one session of Congress, all of the committees of the House are not called under the Calendar Wednesday rule, at the next session of Congress the call shall commence where it left off at the end of the preceding session.

The fact is, as disclosed by the RECORD, that during the last session of Congress not only were all of the committees of the House called once but at least twice. Under this proviso, which the Chair is bound to follow, the Chair directs the Clerk to call the committees beginning at the head of the list.

The Clerk called the following committees: Committee on Elections No. 1, Committee on Elections No. 2, Committee on Elections No. 3, Committee on Ways and Means, Committee on Appropriations, Committee on the Judiciary.

CALL OF THE HOUSE

Mr. SMITH of Virginia. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The Chair will count. [After counting.] One hundred and sixty-seven Members are present, not a quorum.

Mr. RAYBURN. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 7]

Aleshire	Ditter	Jarrett	Ramspeck
Allen, Del.	Douglas	Johnson, Minn.	Rich
Allen, Ill.	Drewry, Va.	Keller	Richards
Buckley, N. Y.	Driver	Kennedy, Md.	Robertson
Byrne	Evans	Lamneck	Sadowski
Caldwell	Fitzgerald	Lanzetta	Seger
Cannon, Wis.	Fitzpatrick	McGranery	Sirovich
Carter	Flannery	McGroarty	Somers
Cartwright	Fulmer	McLaughlin	Sweeney
Casey, Mass.	Gifford	McMillan	Taylor, S. C.
Celler	Gray, Pa.	Martin, Mass.	Teigan
Clark, Idaho	Hancock, N. C.	Meeks	Voorhis
Claypool	Harlan	Mitchell, Ill.	Wallgren
Cluett	Harrington	Mouton	Weaver
Cole, Md.	Hart	O'Neill, N. J.	Wene
Cole, N. Y.	Harter	Owen	Whelchel
Costello	Havenner	Parsons	Wolfenden
Cravens	Hennings	Patman	Wood
Crowther	Hildebrandt	Pfeifer	
Dempsey	Hill, Ala.	Polk	
Dickstein	Holmes	Powers	

The SPEAKER. Three hundred and forty-seven Members have answered to their names; a quorum is present.

Mr. RAYBURN. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

WAGE AND HOUR LEGISLATION

Mrs. NORTON. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

The SPEAKER. Is there objection to the request of the gentlewoman from New Jersey?

There was no objection.

Mrs. NORTON. Mr. Speaker, directed by the Labor Committee, of which I have the honor to be chairman, and in view of the many conflicting reports concerning the wage and hour bill appearing in the press, periodicals, and contained in letters, I wrote the Secretary of Labor; Mr. John L. Lewis, chairman of the Committee for Industrial Organization; and Mr. William Green, president of the American Federation of Labor, asking their position on S. 2475.

The Secretary of Labor replied that she was in favor of the bill, with some suggestions with regard to strengthening the administrative features.

The president of the American Federation of Labor advised that his organization is against the bill in its present form and suggested some necessary amendments, particularly

those changing the administrative features of the bill, and that if this could not be done he would be in favor of recommending the bill.

The chairman of the Committee for Industrial Organization said that while his organization commended the principle underlying this legislation, they felt that the bill had serious limitations both with regard to the economic and administrative features of the bill.

Considering these expressed opinions—which the committee sought—and in view of the criticism of the administrative features of the bill coming from over the country to the Members of this House, I called a meeting of the Labor Committee this morning to decide on our future course of action. As you gentlemen well know, most of the criticism of this bill has been directed at the administrative features of the bill, namely, the creation of a five-man board. In the light of the earnest and helpful criticism we have heard and in order to strengthen the position of the Labor Committee, we this morning adopted a motion in the committee by which I was instructed to come before you gentlemen to tell you that if and when the bill comes before you in the House the Labor Committee will offer an amendment to change the administration of the bill from a five-man board to an administrator under the Department of Labor, with safeguards. [Applause.]

Many Members of this House have told me that they could not sign the petition to discharge the Rules Committee from consideration of the wage and hour bill while the administration of the bill was left to a five-man board, although they entirely agreed with the bill in principle. I now hope and urge that these Members will keep faith with me, as I have kept faith with them, and sign the petition.

In conclusion may I observe that we are approaching Thanksgiving Day, the day that we Americans offer thanks for all the blessings we have received during the year. I do not see how any Member of this House can enjoy his Thanksgiving dinner tomorrow if he fails to put his name to that petition this afternoon. [Laughter and applause.]

Oh, you gentlemen who scoff may do so; perhaps you find it necessary to keep your courage; but how are you going to face your constituents and admit that you refused the workers of America the opportunity to secure a living wage, when you yourselves are living in every comfort? I do not think when this bill comes before the House any Member will dare to make that admission. [Applause.]

The SPEAKER. The time of the gentlewoman from New Jersey has expired.

PRINTING OF HEARINGS ON THE FAIR LABOR STANDARDS BILLS

Mr. LAMBETH. Mr. Speaker, from the Committee on Printing I report back favorably (H. Rept. No. 1644) a resolution and ask for its immediate consideration.

The Clerk read as follows:

House Resolution 360

Resolved, That, in accordance with paragraph 3 of section 2 of the Printing Act, approved March 1, 1907, the Committee on Labor of the House of Representatives be, and is hereby, authorized and empowered to have printed for its use 350 copies of part 2 of the joint hearings held during the first session of the Seventy-fifth Congress before the Committee on Education and Labor of the Senate and the Committee on Labor of the House of Representatives on the bills (S. 2475 and H. R. 7200) to provide for the establishment of fair labor standards in employments in and affecting interstate commerce, and for other purposes.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

RESIGNATION FROM COMMITTEE

The SPEAKER laid before the House the following resignation:

WASHINGTON, D. C., November 24, 1937.

HON. WILLIAM B. BANKHEAD,
Speaker, House of Representatives.

DEAR MR. SPEAKER: I hereby tender my resignation as a member of the Committee on Labor, to take effect immediately.

Very truly yours,

ARTHUR B. JENKS.

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

ELECTION OF MEMBERS TO STANDING COMMITTEES OF THE HOUSE

Mr. SNELL. Mr. Speaker, I offer a resolution, and ask for its immediate consideration.

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

House Resolution 363

Resolved, That the following Members be, and they are hereby, elected members of the standing committees of the House of Representatives, to wit:

ARTHUR B. JENKS, of New Hampshire, to the Committee on Naval Affairs.

BRUCE BARTON, of New York, to the Committees on Labor, Census, and Indian Affairs.

RALPH A. GAMBLE, of New York, to the Committees on Banking and Currency; Election of President, Vice President, and Representatives in Congress; and Elections No. 2.

LEWIS K. ROCKEFELLER, of New York, to the Committees on the Territories, Immigration and Naturalization, and Claims.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

CALENDAR WEDNESDAY BUSINESS

The SPEAKER. The Clerk will continue the call of the committees.

The Clerk resumed the call of the committees.

FEDERAL CREDIT UNION

Mr. STEAGALL (when the Committee on Banking and Currency was called). Mr. Speaker, I call up the bill S. 2675, to amend certain sections of the Federal Credit Union Act, approved June 26, 1934 (Public, No. 467, 73d Cong.).

The Clerk read the title of the bill.

The SPEAKER. This bill is on the Union Calendar. The House automatically resolves itself into the Committee of the Whole House on the state of the Union.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (S. 2675) to amend certain sections of the Federal Credit Union Act, with Mr. THOMASON of Texas in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. STEAGALL. Mr. Chairman, this bill amends the Federal Credit Union Act. There have been organized throughout the United States 6,400 credit unions embracing those organized under both Federal and State laws. Twenty-three hundred have been organized under Federal law since the passage of the act of June 26, 1924. Under the system of credit unions, 1,100,000 citizens of the Nation have been able to avail themselves of the low interest rates and benefits to be derived from these institutions and to rescue members of small means from the hardships experienced by borrowers who have had to resort to other sources of credit for accommodation.

The first amendment would give to the Governor of the Farm Credit Administration, by whom Federal credit unions are managed, wider latitude in the method of conducting examinations of credit unions. Under existing law an arbitrary method is established which requires the Governor of the Farm Credit Administration to assess against each credit union a uniform charge for the expense of examination. Under the amendment of the present bill the Governor of the Farm Credit Administration would be permitted to exercise discretion in assessing charges for examination in each individual instance so that credit unions of smaller resources would not suffer discrimination by being required to pay upon an arbitrary basis with unions having larger resources and more able to meet the expense of examination.

The second amendment changes existing law which provides that the funds of credit unions may be loaned only to members or be invested in Government securities, either direct obligations of the Government or obligations guaranteed by the Government. The amendment authorizes loans to be

made by one credit union to another. This would offer opportunity for the use of funds of the larger unions for the benefit of the unions with smaller resources. This amendment would also permit the investment of the funds of a credit union in building and loan associations that are federally supervised.

The third amendment would authorize the Farm Credit Administration to make researches, to conduct investigations and inquiries as to the needs for the service to be rendered by credit unions, and to disseminate information to the public for the purpose of developing the organization of Federal credit unions.

The fourth and last amendment would change the law as it exists under the original act with respect to the authority conferred upon the States to tax the capital of the Federal credit unions.

Under section 4 Federal credit unions would be exempt from taxation except taxation on real and tangible personal property. It permits the taxing of members upon shareholdings held in any Federal credit union, but limits the tax to the rate imposed upon holdings in similar domestic organizations. This section also prohibits the placing of the burden of collecting the tax upon the credit unions themselves.

Experience with Federal credit unions since the passage of the original act indicates that the taxation of these organizations in a manner similar to the taxation of domestic banks places a disproportionate and excessive burden on the credit unions. Many States tax domestic banking corporations in relation to their share capital. In view of the fact that Federal credit unions may not accept deposits, their share capital represents a much greater proportion of their total resources than is the case in other financial institutions. As Federal credit unions are mutual or cooperative organizations operated entirely by and for their members, it is thought that local taxation should be levied on the members rather than on the organization itself.

This, Mr. Chairman, in brief, is what is accomplished by the bill now before the House. It comes to the House with a unanimous report of the Committee on Banking and Currency. It has already passed the Senate, and it has, I may also say, widespread support throughout the country. It is designed to aid a class of citizens of small means who have been the prey of loan sharks. It is an effort to assist the underprivileged in their struggle to reach a higher standard of living.

Mr. WOLCOTT. Mr. Chairman, I rise in opposition.

The CHAIRMAN. Is the gentleman opposed to the bill?

Mr. WOLCOTT. I am opposed to certain provisions of the bill.

The CHAIRMAN. The gentleman from Michigan is recognized for 1 hour.

Mr. WOLCOTT. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts [Mr. LUCE].

Mr. LUCE. Mr. Chairman, it chanced that 25 years or more ago I had some small share in the introduction of the credit-union system in my State. At that time I became somewhat acquainted, of course, with the system; and since then I have taken a warm interest in its development. My impression is that it was first conceived in Europe, but we borrowed it from the Province of Quebec, where it had proved its usefulness. Our legislation led to the adoption of the system in other States, and recently we have made it a Federal concern.

As is the case with all laws starting a new governmental activity, experience was necessary to show minor defects, and this is simply a proposal to cure certain minor defects that the machinery may run with less friction.

This movement in Massachusetts was fathered by Edward A. Filene, whose recent death was a loss to the whole country. I did not always agree with my friend as to his views on political principles, but in this matter we were in close accord. Mr. Filene, more than anybody else, and to an exceptional degree, contributed to the development and spread of this institution. He furnished from his own funds a surprisingly large amount of money for the benefit of the humble people of the land.

The system has no element of profit making whatever. It was designed to meet the needs of the humble folk of the land, of those who had no credit resources—the poor seamstress who needed a sewing machine, the carpenter who needed tools, the barber who needed a chair, and particularly to help in time of the emergencies that come to all of us, brought by sickness and death.

The sums lent are very small or would seem so to those here, yet to those concerned may be of vital importance. It is because those of the most moderate income are involved in this measure, those who feel more keenly the stress of disaster and calamity, that I ask for this contribution of your time and attention, enough to make this philanthropy operate more usefully.

I have said that Mr. Filene from his personal resources contributed to this philanthropy an astonishing amount of money for nobody's good except that of the poor. Mr. Filene has passed away and that source of help no longer exists; therefore there is all the more reason why we should lose no opportunity to advance the interests of a system that is doing more good to the humble folk of the land than perhaps any other of recent invention.

Mr. Chairman, I do not know to what features of this bill my associate from Michigan may object, and I cannot anticipate the reasons he may present for changing it, but I have observed that the operation of Government agencies is most familiar to those who are in charge of that operation, and that the burden of proof for not accepting their views in matters of detail rests with those who question the changes they advise. For my own part under conditions like this I am quite willing to accept the wishes of those to whom we entrust the responsibility. [Applause.]

Mr. Chairman, I yield back the balance of my time.

Mr. FISH. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, this bill has to do with the credit of the wage earner and the safeguarding of that credit for their own productive and personal use. There apparently is no opposition to the bill, either in the committee or in the House. In view of the fact we are discussing the credit of the wage earners and their own money, it seems to me this is a proper time to discuss the use or misuse of funds paid by American wage earners for mortgage insurance, social security, old age and railroad pensions, all of which go directly into the Treasury of the United States.

As far as I can learn, this money, which belongs to the wage earners, is not earmarked but is used for the running expenses of the Federal Government. It is a serious question whether these payments, made in good faith for a specific purpose—that is, for social security and old-age pensions, and so forth—should be used for any other purpose. The whole question comes down to the credit of the Government. If the credit of the Government is sound—and I do not question it at the present time, but none of us can anticipate what it may be in the years to come. However, if the national debt is to increase a billion or two each year, if we are to pile deficit upon deficit, if we are to continue to issue tax-exempt securities by the billions, sooner or later the credit of the United States will be impaired. Then the funds of these wage earners will also be impaired, when social-security benefits as well as old-age pensions and railroad retirement are to be paid from Government income.

Mr. Chairman, I did not know this bill was coming up today, but I went down to see Mr. Green, president of the American Federation of Labor, at 10 o'clock this morning and discussed this very issue with him at length. I urged that he put his research bureau to work to find out exactly what is becoming of these funds paid by American wage earners, organized and unorganized, to the Federal Government, and to ascertain accurately whether these funds are being set aside for a specific purpose or benefit of the wage earners or whether they are being used for the payment of the running expenditures of the Government. I am informed that \$500,000,000 of these funds were used this year to pay the expenses of government and all that is left

for the wage earners and the people who paid these funds is the I O U's of the Government. I submit that the Government's obligation is all right today, and I hope it will continue to be all right. As I said yesterday, I place the interest of my country and its welfare above all partisanship. I do not want to see the Government's credit impaired or broken down for any partisan advantage, but everyone knows if we continue the present financial program of borrowing billions upon billions of dollars, with an unbalanced Budget, piling up debt upon debt, sooner or later the day of reckoning will come.

None of us are prophets. We cannot predict when that time will be. All we know is that if we continue on this road, with no financial policy and an unbalanced Budget we are going forward on the road to bankruptcy, repudiation, and financial chaos. This does not merely involve the bondholders and the rich men of the country, but it also involves the security of the wage earner, and the poor man. For this reason I submit that a committee of this House, and perhaps a special committee, and the Democrats being in the majority it is their duty and responsibility, should investigate and find out if these funds are being properly safeguarded, whether the Government should use this \$500,000,000 or more each year without setting aside a reserve to pay the benefits which are provided by act of Congress.

Mr. TRANSUE. Will the gentleman yield?

Mr. FISH. I yield to the gentleman from Michigan.

Mr. TRANSUE. Where would the gentleman have the Government put this money?

Mr. FISH. That is what I want a special committee of Congress to investigate and recommend. Only yesterday a suggestion was made that part of this money be used for a building program. I am not prepared to go even that far, but I may say to the gentleman I would rather use this money for a building program and have something concrete, at least have the ownership of the real estate, and promote a good cause, than have it thrown into a fund for the payment of the current expenditures of the Government. This is only one of many suggestions. I think the gentleman himself and other Members of Congress may be able to work out a program or make suggestions that will safeguard these funds, and I am sure the gentleman wants to do that very thing.

Mr. TRANSUE. Will the gentleman yield further?

Mr. FISH. I yield to the gentleman.

Mr. TRANSUE. I want to do that very thing; but what would the gentleman recommend as a better security than United States Government bonds?

Mr. FISH. I am glad to say, as a member of the minority party, that at this very moment Government bonds have not been impaired, but I would not want to predict, and I do not think the gentleman would want to predict, no matter what party is in power, if the present course of an unbalanced Budget is pursued much further, how long the Government credit will be unimpaired.

Mr. TRANSUE. Will the gentleman yield further?

Mr. FISH. I yield to the gentleman from Michigan.

Mr. TRANSUE. What evidences of indebtedness would be of any value when the Government credit is impaired?

Mr. FISH. If you safeguard these funds and set them aside for a specific purpose, they will be there for that purpose. They will not be dissipated for the running expenses of the Government. I do not say that is the only way or the only method to pursue. This is a serious question. I urge that a special committee of Congress be created or a subcommittee of the Ways and Means Committee be created to investigate this matter, just as Mr. Green told me his research committee would, and report back its findings and recommendations.

Mr. TRANSUE. Mr. Chairman, will the gentleman yield further?

Mr. FISH. I yield.

Mr. TRANSUE. Has the gentleman a constructive program with respect to what should be done about this question?

Mr. FISH. I have just told you that as far as I am concerned I do not propose to stand up here and tell the Members of Congress what they should do or what they should not do. I do say we have a specific duty to investigate the situation and ascertain the facts and base our conclusions and legislation on the facts. I believe in the intelligence of Congress. This is a nonpartisan issue. We have a duty to legislate and safeguard these funds, and if they are not used for the specific purpose for which they were intended, then we want to make sure they will be so used in the future.

Mr. TRANSUE. Then the gentleman cannot tell us at this time where he would have the Government place these funds right now?

Mr. FISH. I may say to the gentleman there are two or three proposals. One is to put the funds aside and earmark them for the specific purpose and benefit of the wage earners who have contributed these funds.

[Here the gavel fell.]

Mr. WOLCOTT. Mr. Chairman, I yield 3 additional minutes to the gentleman from New York.

Mr. FISH. Another method is to use these funds for a building program, as has been suggested, having a direct lien on the buildings constructed. The third method is to use the funds for similar constructive programs, such as putting them into real estate or something which has value, instead of dissipating the money on the running expenses of the Government.

Mr. SHANLEY. Mr. Chairman, will the gentleman yield right there?

Mr. FISH. I yield to the gentleman from Connecticut.

Mr. SHANLEY. The gentleman does not want to earmark the funds so the money will simply lie in the Treasury? We can eliminate that as one method?

Mr. FISH. I believe the Congress can work out a sounder solution.

Mr. SHANLEY. There is no question about that.

Mr. FISH. I believe that it would be an unhappy solution not to make some use of the funds. I would prefer to reduce the national debt with them, or almost anything except to pay for the current running expenses of the Government.

Mr. SHANLEY. Especially with the gold we have buried in Kentucky.

Mr. FISH. The gentleman has now raised an issue on which I was going to talk next in the approximately 2½ minutes I have left. I am in favor of a large building program. If other countries like Great Britain, Belgium, and Germany can pull themselves out of a depression by a building program, we have enough intelligence in Congress, I believe, to do the same thing. I would not hesitate to see \$5,000,000,000 spent on a building program to erect private homes for American wage earners. If we do not want to have a bond issue of \$5,000,000,000, why not use \$5,000,000,000 of the gold which is sterilized in a vault in Kentucky and is lying idle, drawing no interest? Why not use this gold in this depression for the benefit of the American wage earners? It is doing no good where it is. It does not feed the hungry or clothe the destitute or provide jobs for the unemployed.

Mr. SHANLEY. Will the gentleman attempt to get his party to approve of that scheme so that he can bring us a constructive program?

Mr. FISH. I realize your party has failed in having any constructive program, and that it is up to the Republican Party to write it for you; but pending that, I am just throwing out some suggestions to work on yourselves, so you may benefit by them.

Mr. DEMUTH. Mr. Chairman, will the gentleman yield?

Mr. FISH. I yield to the gentleman from Pennsylvania.

Mr. DEMUTH. As a Republican, is the gentleman in favor of giving the bankers 100 percent relief in interest rates by issuing bonds at 3 percent and then permitting them to lend money at 6 percent?

Mr. FISH. I am glad the gentleman raised that issue. I think the operations of the F. H. A. are preposterous. Under the Federal Housing Act, money is lent to the bankers at 3

percent by bond issues and the bankers then lend it at 5 percent to build homes with. In addition, there is a service charge of one-half percent and another charge of one-half percent to the Government for mortgage insurance so that the total charge to the home owner amounts to about 6 percent, and 4 percent on the amortization of the mortgage, or a total of 10 percent. I do not propose to support any such kind of a building program operated on that sort of basis which exploits home builders for the benefit of the banks. I believe Government credit should be made available at 3 percent to private enterprise for large building operations and that the public should not pay more than 3½, including service charges. The proposal if properly handled will stimulate private industry and put labor back to work, revive heavy industry, and provide homes for American wage earners. [Applause.]

Mr. REILLY. Mr. Chairman, I yield 15 minutes to the gentleman from Texas [Mr. PATMAN].

THE \$47,000,000,000 SOCIAL SECURITY RESERVE FUND

Mr. PATMAN. Mr. Chairman, much has been said about the reserve fund. One of the most progressive measures passed by the Congress is the social-security law. This law contains a very important provision, more far-reaching and effective than many people today realize, stating that a social-security reserve fund must be built up, and that this social-security reserve fund can be invested in only one thing, United States Government bonds, which must draw at least 3 percent interest.

INTEREST WILL GO TO OLD PEOPLE INSTEAD OF COUPON CLIPPERS

The result of this procedure will be this: We have today \$18,000,000,000 in Government bonds held by the banks of the country. It is just a little bit ridiculous to think that the banks, with a capitalization of only \$1,500,000,000, can purchase and hold and draw interest on \$18,000,000,000, but this is what has happened, and it is going on right now. Since the officials of the American Bankers' Association are spending so much time criticizing me I will say a few things about them. We have outstanding about \$37,000,000,000 in Government securities of different kinds, the holders of which include individuals, corporations, trust funds, and banks. If this law remains as it is today and no change is made in the reserve-fund requirement, eventually every Government security in America will be owned by the social-security reserve account; so, whatever you do, watch any change in this law. Thus the people of America will continue to pay interest on Government securities, but this interest instead of going to banks, trust companies, and individual coupon clippers will go to the old people of our country to relieve distress. [Applause.] This is the reason there is objection to this account.

REPUBLICANS COMMENCED PRACTICE THEY NOW CRITICIZE

Let me tell you where this business first started, as far as my knowledge goes. At one time the Congress passed what was known as the Adjusted Compensation Act, to pay the veterans a certain amount of money in 1945.

In order to make these payments in 1945 Congress agreed to set aside \$112,000,000 a year and the fund would accumulate by increasing interest and by 1945 would be sufficient to pay off these certificates. That fund was examined when the Republican Party was in power, and what did we find in that reserve fund? Did we find the \$600,000,000 or more which we were supposed to find? No; we found a lot of what is referred to now as I O U's, placed there by Mr. Andrew W. Mellon, who was Secretary of the Treasury. Then, when I, as well as others, referred to them as I O U's, Members on the Republican side immediately objected and referred to them as the best security on earth, Government bonds, and I conceded that they were.

GOOD REASON WHY SPECIAL SECURITIES ISSUED AND PLACED IN RESERVE ACCOUNT

So this was started under the Republican administration. There is a reason why these special securities must be placed there. You cannot avoid it. Suppose this month the Government collects \$10,000,000 under the social security law.

That money comes into the Treasury and the Treasury is supposed to invest that money in United States Government bonds earning at least 3 percent interest in order to take care of the fund for the old people of our country. The Treasury cannot invest that \$10,000,000 in Government bonds drawing 3 percent interest, because no bonds drawing 3 percent interest are available. The Treasury does the only thing that can be done, and that is to take the money and pay off \$10,000,000 of Government bonds that are due or that are callable which earn less than 3 percent annually and then place in that reserve account \$10,000,000 in I O U's, if you desire to call them that, but they represent the best security on earth. They are not I O U's. They are United States Government bonds, just like the \$10,000,000 in bonds that were paid off with the \$10,000,000 I have referred to.

Mr. MICHENER rose.

Mr. PATMAN. I will yield to the gentleman in just a moment.

It is true that if the Government needs money and is having to go into the market, anyway, to acquire the money, they would have to pay commissions and fees in order to acquire the money by selling United States Government bonds. So, instead of doing that, if the Treasury needs money, they can take the \$10,000,000, create a Government obligation that would have to be sold anyway if it needed money, and, instead of selling through regular channels or through the banks and paying fees and commissions, it issues a 3-percent United States Government bond and places it in the old-age security fund. Is there any objection to this? It has been carried on under the Republican administration for the administration of the Adjusted Compensation Act, and this is the defense you gave at that time.

WAR VETERANS' INSURANCE FUND HANDLED SAME WAY

Not only this, but 590,000 World War veterans have continued to carry their Government war-risk insurance; only 590,000 out of 5,000,000 who were eligible to carry such insurance. This insurance fund accumulates every year and it must receive a certain rate of interest on securities, and I am sure that under the Republican administration many Government securities were issued drawing that rate of interest in order to accommodate this fund. It is my impression that the fund can only be invested in securities of the United States, the same as in the case of the social-security reserve fund.

OPPOSITION TO SPENDING PROGRAM ONE THING, BUT RESERVE FUND AN ENTIRELY DIFFERENT MATTER

This is exactly what is going on today; and for anyone to go out and tell the people that the employees' and employers' money is being squandered is not telling the whole truth. They can oppose the spending program if they desire. That is one thing. They have a perfect right to oppose it and say it is a bad thing, but they should not say that the employees' and the employers' money that is being contributed to build up this fund is being squandered in the spending program because that is not true.

LOOSE TALK ABOUT RESERVE FUND

I hope that people who continually place in the newspapers these misleading articles and statements that are not true will at least get all the facts and give them to the people of the country so they will not be alarmed or disturbed by any such untruthful and misleading statements. It does not represent a correct statement of the facts. In fact, it is a lot of loose talk.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. Does not the gentleman feel that as this money is brought into the Treasury as general revenue, which is necessary to meet the constitutional questions involved, the Congress is in duty bound to reappropriate the money to a special fund?

Mr. PATMAN. I think the act takes care of the matter of reappropriation. It requires this money to be invested in United States Government bonds. The gentleman is a mem-

ber of the Committee on Ways and Means that helped to draft this legislation. I make the statement that that is the only investment that can be made with this money, and it must receive 3 percent interest. Am I right or wrong?

Mr. McCORMACK. The gentleman is correct in that respect.

Mr. PATMAN. Therefore there is nothing else to be done.

Mr. McCORMACK. My inquiry was that there must be a reappropriation, and what will happen if this fund should rise to eight or ten billion dollars with these I O U's in there. Sooner or later we have got to appropriate the money to meet them, and does not the gentleman think we should make the appropriations yearly?

Mr. PATMAN. I think the gentleman is correct, and this fund is being handled in the very way that any other administration in power would handle it.

THE REAL "NIGGER" IN THE WOOD PILE

This is not the main objection. Let me tell you the main objection to this: This question of how the fund is handled is just a little fight on the side lines. Let me tell you the real opposition behind this reserve account matter. This is a fight in behalf of those who have been properly labeled by our great President as "economic royalists." The American people today are paying about \$900,000,000 a year interest on the Government's own credit. You cannot justify it; there is no reason for it; it should not be done. There is no reason why banks having an investment of a billion and a half dollars should be allowed to buy and hold, as they are today, \$18,000,000,000 in Government bonds, and draw interest on them every year. The Government issues bonds, sells them to banks, and if the banks need money they can deposit their Government bonds and obtain it. They pay the discount rate of 1½ percent. If the bonds deposited earn more interest than 1½ percent, the difference is velvet to the banks. Mr. Thomas Edison said one time that if a Government bond is good a Government bill is good. There is no reason to support such a practice as that.

Mr. FERGUSON. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. Yes.

Mr. FERGUSON. The \$18,000,000,000 held by the banks represents the investment of the depositors' money, does it not, or is that capital investment of the banks?

Mr. PATMAN. It represents the deposits which are credit, of course. The deposits are not money, they are credit. The \$18,000,000,000 investment could not be capital, but the banks with a capitalization of a billion and a half dollars acquire these \$18,000,000,000 in bonds. Banks could not loan 10 times as much money as they have were it not for the privilege they have of using the Government's credit. If the banks need money to pay their depositors, the Bureau of Engraving and Printing will very quickly turn out a sufficient amount of crisp, new currency to cover the amount of their Government bonds dollar for dollar. If they need more money, the banker's note may be acceptable as a basis for the issuance of new money through the Federal Reserve, or any asset considered sound may be used for such basis.

Mr. FERGUSON. What would the gentleman have the banks do with the depositors' money?

Mr. PATMAN. I would have them do just as they are doing now under the present laws, policies, and practices. I would do exactly as they are doing, but I would change this policy, as the Democratic Party has done in taking a step in the right direction—of taking these Government bonds away from private bondholders, whether they are banks, trust funds, corporations, or whoever happens to hold them, and I would have those Government bonds in one trust fund, as they will be if this law is not tampered with; and then we will continue to pay that \$900,000,000.

REPUBLICANS FAVOR ECONOMIC ROYALISTS, DEMOCRATS FAVOR OLD PEOPLE

The Republicans want it to be given to the corporations, the banks, and the individual bondholders. The Democrats want it to go to the old people of this country. That is the issue that is involved here. It is just as plain as the noonday sun. One side is in favor of Government-bond holders having a subsidy of \$900,000,000 a year and the other side is in

favor of paying the money, but permitting it to go to those in distress, the unfortunate, and the aged citizens of the country.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. Yes; on this point.

Mr. REES of Kansas. I do not get just who would have these bonds, from what the gentleman has said. Who would own these bonds?

Mr. PATMAN. The Government's social-security reserve fund, just as under the Republicans the adjusted-compensation reserve fund was established.

Mr. REES of Kansas. I mean the Government bonds.

Mr. PATMAN. And the Government was required to pay a certain interest rate, but you could not pay it as in this case by buying Government bonds in the market, so you issued special Government obligations, as is being done in this matter in order to carry out that law; so if you oppose that method you should oppose the law. Why do you not come in and say that you are opposed to the social-security law if you are? You should try to amend the law if the reserve fund is wrong.

Mr. REES of Kansas. I am not talking about that. The gentleman does not believe that private individuals should own Government bonds?

Mr. PATMAN. I believe eventually they should be owned by this fund, as they will be if this law is not tampered with.

STATEMENT ON MONEY BY MR. HENRY FORD

Mr. Chairman, I have before me a statement made by Mr. Henry Ford yesterday, given out as an interview to the Associated Press, which, with the permission of the Committee, I shall read:

A contributing factor to the present "pause," Ford said, has been the fact that money too long has been a "principal commodity of commerce."

"Money," he said, "has become a business in itself instead of an adjunct to business. . . . The present system breaks down so often that it is time our financial engineers developed a better model."

The present money system as exemplified by those "who manipulate it for profit," Ford said, is entirely out of date, and is in large measure responsible for recurring business recessions. "It is a system that seeks to control labor; wants to control Government, finance, food, industry, and even the schools. It manifests an avariciousness that would control everything."

The solution, Ford said, lies in teaching the coming generation the real purpose of money and "an understanding of a system that may have been adequate for society's needs many years ago but no longer meets its requirements today."

A real understanding of the money system, Ford said, might well be taught in the Nation's schools.

I agree with what Mr. Ford has said, and there are many proposals now pending in Congress which, if enacted, will be in the right direction; in addition to this one we have before us which makes a short step in the direction of easing the credit system of this Nation. There are other measures pending before Congress.

BIG BANKS NOW CRUSADING AGAINST GOOD BILL

The other day the American Bankers Association met in Boston and that association condemned, and its officials are going all over the country now condemning, a bill that is sponsored by 160 Members of this House for the purpose of taking the control of money away from those who manipulate it for profit. They are opposed to it. I am not surprised that they are opposed to it. I knew that they would be. That bill is one providing for the Government owning the 12 Federal Reserve banks. It is H. R. 7230. The Government should own these banks. It is right that bankers have nothing to do with the manipulation of the Government's credit, and that bill, if passed, will take the bankers off the board. It will take the bankers off the open markets committee. They have no business there. Those who advocate keeping bankers on the board of governors of the Federal Reserve System, or who believe in keeping a committee composed, not of a majority, but a substantial number of bankers on the open markets committee, the most powerful committee having to do with money and credit in this Nation—those people, in order to be consistent, should

advocate that we put railroad owners on the Interstate Commerce Commission.

It is just as reasonable to contend that the railroad owners should be members of the Interstate Commerce Commission, to fix rates for themselves, as to contend that the bankers should be in control of the Board of Governors of the Federal Reserve Bank, or have any power whatsoever there, or in the Open Markets Committee, in order to manipulate money and credit in their own interest. Every informed small banker in this Nation who is not a puppet of some real big banker should support this bill. It is in his interest and the people's interest.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to my colleague from Michigan.

Mr. CRAWFORD. May I ask this question, because I know the gentleman has given much thought to it and is much interested in it: Let us assume that the Government did buy the stock of the Federal Reserve banks and that the Board was recast and there were not bankers on the Board. That means to say that the new Board is created for the purpose of managing money and credit. The vast group of bankers have their fingers on the pulse of the needs of business, the demands for credit, the ebb and flow of goods, the up and down volumes, the fear of money or the love of goods, or the love of money and the fear of goods. What is the practical way to get this mandatory board or commission or money management in touch with the actual credit needs of the country?

BANKS FIRST TO BE BAILED OUT, AND HAVE BEEN, THOUGH MOST UNGRATEFUL

Mr. PATMAN. They can present their applications like they do to the Reconstruction Finance Corporation. The bankers were the first to be bailed out in 1933, and they got their money from the Reconstruction Finance Corporation. They wanted to be saved themselves, but opposed and are still opposing the Government extending aid to any other group or class. They had no members on the Board of the R. F. C. They did not need any contacts there. They can approach the officials of their local Federal Reserve banks in the same way that they can approach governmental agencies. The story about how this administration has saved the banks and rendered unnecessary any more bankers jumping from windows in high buildings or fleeing to the tall uncut and the gross ingratitude demonstrated by them has never been told. I have it in my system and am looking forward to an opportunity to tell it. All bankers have not been ungrateful—many of them are thankful—but most of the ones who dominate and control the American Bankers Association are entitled to the criticism I am offering.

The CHAIRMAN. The time of the gentleman from Texas [Mr. PATMAN] has expired.

Mr. PATMAN. I hope this credit-union bill becomes a law. [Applause.]

Mr. WOLCOTT. Mr. Chairman, I yield 15 minutes to the gentleman from New York [Mr. REED].

Mrs. NORTON. Will the gentleman yield to me to make an announcement?

Mr. REED of New York. I yield.

Mrs. NORTON. There seems to be some confusion as to whether or not the Committee on Labor will call up the wage and hour bill today. I want to say, for the benefit of all those who have asked me and those who would like to go home, that the wage and hour bill will not come up today.

Mr. REED of New York. Mr. Chairman, I have been very much interested in the discussion that has taken place with reference to the Social Security Act. I feel the time has come when every Member of this House should understand exactly where we are traveling in the administration of this act.

On the Unter den Linden in Berlin there stands an old palace. It is a very spacious affair. The rooms are highly decorated. One of those rooms is known as the Musicians Gallery. At one time, years ago, the people were taxed to

create a fund to make sure as to the stability of their Government. As this silver came in it was melted down and made a part of a very beautiful gallery. It assumed immense proportions. It was visible evidence of the stability of their country and an assurance against future crises. Frederick the Great, having a program of his own, secretly and without the knowledge of the taxpayers, melted down this solid gallery and spent it to carry out his own personal program. Then he quietly had the gallery rebuilt of wood and painted it over with a coating of silver, and for years the people went on feeling that they were secure—that there stood a solid silver gallery, their security. They only found out afterward that he had simply rebuilt a replica, made of wood.

Now, the question is, Are we returning to those old methods where a king's conscience never interferes with the needs of his purse? I am saying to you I am not interested in what the inflationists want. What I am interested in is a sound law that is going to protect people who are looking to security in their old age, from having their money dissipated, only to find out, in the sunset of age, that their security is gone and that we are in the throes of inflation.

Now, what are the facts in regard to the Social Security Act? It is not necessary for any Member who is interested in the objectives of that act to guess about the matter. All you have to do is study the official reports issued by the Treasury. The whole story is told, but I will admit that under the double system of bookkeeping and the way the matter is reported, you will have to sit down and devote some time to getting at the facts.

Now, let us take just the precise fund, this tax collected from the wage earners of this country. During the fiscal year 1937-38 through the period of September 30, 1937, there was collected from pay-roll tax, under the compulsory old-age plan, the sum of \$390,100,000. What became of that fund? That fund, as you have been told today, went into the Treasury as general revenue. Then what happened? The Treasury did not go into the open market and buy up bonds, for the reason, as stated here, that there were no bonds bearing 3 percent which were available for purchase. But in the Social Security Act there is a little amendment that authorizes the Secretary of the Treasury, under those circumstances, to print bonds bearing 3 percent. Now, just notice what a nice little inflationary trick has been imposed upon the people.

The Secretary of the Treasury called up the Bureau of Printing and Engraving and said: "Print me so many bonds; print me bonds up to the amount of \$390,100,000"; and so the printing press started and bonds to that amount were printed. They were put into the old-age reserve account, and \$390,100,000 remained in the Treasury to await the pleasure of a spendthrift administration. I am taking up just one phase of it. Had the Secretary of the Treasury gone into the open market and bought bonds, had the interest rate permitted, he would simply have transferred the title to those bonds to the old-age reserve account and the national debt would remain precisely the same; but when he started the printing presses and printed these new bonds bearing 3 percent interest and left in the Treasury to be spent \$390,100,000, as appears in his Treasury statement, the national debt was automatically chalked up to the tune of \$390,100,000.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. I hope the gentleman will excuse me for not yielding. My time is limited and I cannot get more.

This is the same type of printing press operation that in Germany, in France, and in other inflationary countries destroyed annuities, destroyed old-age pensions, destroyed endowments, destroyed the very pay of the workingman. This is just a backhanded way of printing money. The people little realize that these collections from the pay rolls are being spent, that the national debt is being increased by just the amount of these pay-roll taxes.

To avoid confusion I have not said a word about the taxes collected for employment insurance. Here we have something like \$457,000,000. What was done with this? Was it invested in bonds already existing and outstanding? Not at all. The printing press was started again and bonds to the amount of \$457,900,000 were printed and put into the reserve account, and the national debt was chalked up by just that amount. If they had bought bonds in the market the national debt would not have been increased.

I am warning you Members who voted for this bill and who want to see it succeed that you have got to stop spending. Have you forgotten what the Secretary of the Treasury said as he sat on the very edge of his chair awaiting the pronouncement of the Supreme Court on the constitutionality of this bill? Upon hearing the decision his remarks was: "This is going to relieve the strain on the Treasury very materially," or words to that effect; which means that the money is being spent.

For political purposes, of course, you can go along and mislead and deceive the people. The propaganda is going out in the press to allay suspicion on the part of these good people that are paying these taxes that this money is not being squandered and wasted. We have a tax bill from the Ways and Means Committee, and the word has gone out that while changes are going to be made by this tax bill that what is taken off in one place is going to be put back in another, but the taxes are not going to be increased.

The so-called trust funds are being spent. They are flowing into the Treasury in ever-increasing amounts. Within just a few months there will come into the Treasury from these sources something like \$3,000,000,000. If this same process of spending this money is continued, of course, it will not be necessary to raise taxes for years to come; certainly not until after the election of next year and not until after the election in 1940. The money can be squandered, the I O U's can be printed, the national debt can be increased. And so we are going on this beautiful merry-go-round of inflation, but it just simply means that some day, some time, if it is continued the public is going to condemn this fraud on the part of Congress, which knows the facts.

Mr. WOODRUFF. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. I yield.

Mr. WOODRUFF. The people some day will realize, too, that those who are now paying these taxes into the Treasury for the definite purposes provided by the act have simply been contributing to the ordinary expenses of Government, and when the time arrives that payments under the act must be made they will again be taxed to pay what they think they have already paid.

Mr. REED of New York. To the tune of about \$2,500,000,000 a year. The people will wake up some day. The money is flowing in fast enough, of course, so that benefit payments can be made; but no benefit payments are to be made until 1942 except in the case of those who die or reach the age of 65 before 1942, and that will be a comparatively small amount. I am telling you, and you can readily perceive as you hear the talks on this floor, that it is a beautiful inflationary act. The people who believe in inflation, who believe in printing-press money, who believe in printing bonds as a way out of this difficulty are for this system; but go back through the records and you will find that the group of men set up as the President's committee to make recommendations did not recommend this system. The only way to stop this is to amend the act. This is what I am asking. I did not vote for this bill. I believed in its wonderful humanitarian objectives, but I could not be a party to voting for a bill that had the possibilities of fraud in it that this bill had. The responsibility rests upon this House. It is not a partisan matter at all, it is a question of the orderly administration of these trust funds.

The statement has been made that there is nothing safer than Government bonds and that this Government will not repudiate its promises. However, we do not have to go very

far back to find that certain promises contained in bonds sold to the people who were told to buy for national defense or "buy until it hurts" were repudiated. The people bought these bonds with the gold clause in them, but we see this administration for the first time in 150 years repudiating those bonds.

We have seen this administration take \$2,000,000,000 from the people by devaluing the currency. We have seen this administration use the \$2,000,000,000 it has taken from the people to rig up the market in order to sell more bonds and to keep the bonds up to an artificial value.

Mr. PATMAN. Will the gentleman yield?

Mr. REED of New York. Not just at this moment.

Mr. Chairman, we as American citizens, regardless of party, believing in the objectives of this bill, should take steps now—not wait, because the longer we wait the more difficult it is going to be, the deeper and deeper we are going to be in the "red," and the larger and larger is going to be the indebtedness that we owe the people. Unless we do this we cannot lower taxes, we cannot balance the Budget, we cannot bring ourselves out of the slough of despondency into which we are drifting. The time has come to act.

I have laid the facts before you just exactly as the official report shows. You do not have to take my word. You do not have to take the word of any Member on this floor. You can sit down, go over the Treasury report, and see for yourselves that every word I have told you is the gospel truth. [Applause.]

Mr. WOLCOTT. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Chairman, I desire to add my support to this bill because it seems to me it is the biggest step the Federal Government has ever taken to help the so-called underprivileged fellow, and the man or woman without a bank account, to escape the clutches of the loan shark.

If I am correctly informed, the credit unions have enabled millions of people to secure small loans and credit extensions that they could not have obtained at any other place on earth had this organization not been in operation, except through the loan sharks of this country.

Just a short time ago I had information from one of my constituents to the effect that she had run into reverses and was compelled to pay interest at 3½ percent per month in order to get a little loan to pay the funeral expenses of her brother-in-law, the responsibility of which she had assumed in order to help the family.

Mr. Chairman, I hope this bill passes with the exception of one little clause which I would request the chairman of the Banking and Currency Committee to correct. I shall simply point it out, but I do not intend to offer an amendment. It is in lines 3, 4, and 5 of page 3 of the bill, and reads as follows:

He is further authorized to make reports of such investigations and to publish and disseminate the same.

To me that puts into operation another publicity bureau which will spend millions of dollars in issuing press releases and propaganda, most of which will go into the wastebasket. I hope the bill may be amended so that the Governor will make reports to the Congress, thereby eliminating expenses other than those necessary to make an annual report to the Congress.

Otherwise it seems to me this bill would authorize the expenditure of millions of dollars annually for the purpose of putting out press releases and what we might call propaganda. I can realize that propaganda which would help some fellow escape the clutches of the loan shark might be worth while, but we have seen so much of this being ground out by men who desire to make themselves big publicity men that I am hopeful that situation may be corrected in this bill.

Mr. Chairman, I want to make a remark or two with reference to something else that has been discussed here this afternoon. We are in an era of what might be termed "managed money." The 1933 and the 1935 banking acts which the Congress passed have given to the Federal Reserve Board

certain powers and have withheld from the Federal Reserve Board certain powers. Those and other acts—gold and silver—gave the President and the Secretary of the Treasury certain powers. All the acts created the Federal "money managers," consisting of the Reserve Board and the President and Secretary. Today our people are attempting to become liquid, which means they have little confidence in business. They have confidence in money. They desire money. They do not desire goods. They do not desire equities. They do not desire to operate a business. They are running away from business to money.

Mr. Chairman, you cannot have confidence in money and business at the same time. You love either one or the other the most. You run toward the one you love. How can we change that if we are to have "managed money"?

If the Federal Reserve Board, the President, or the Secretary of the Treasury did something to tax money which you have in the form of currency in your deposit box or on deposit in banks, you might desire to run away from liquidity and get back to goods. The money managers may have to do that very thing. I am not advocating something now. I am discussing the question of "managed money." When the Federal Reserve Board puts up the reserve requirements of banks, that has to do with "managed money." If you manage a business, you have to continually fiddle with the problems of that business. If you manage money, you have to continually fiddle with the problems of money. In the atmosphere and under the policy of "managed money" you hesitate to fiddle with the problems of money and credit, then some fellow is going to desert goods and their production and lead the stampede toward money or to liquidity. For millions of our people to desert goods, industry, equities, and all climb on the "get liquid wagon" at once, means a drop in the price of cotton, cotton goods, beans, corn, cattle on the hoof, wool, mohair, wheat, and other commodities. A drop in the price of labor in the form of the goods mentioned means that purchasing power declines, women go without clothing, children without medical and dental care, and there is general economic hell for everyone. To prevent such a development becomes the problem, the big, big problem of "managed money." That is the problem throughout this land this very minute and every one of you know this to be true. Just read your mail and listen to what your people have to say.

If the "money managers" hesitate, the people may again run from money to goods. If they all run to goods at once, prices go up too fast, and then the Federal Reserve Board and the President state we must pull down prices. If you hesitate too long, they run from goods to money, and then unemployment increases, production falls off, goods decline in value, equities are washed out, losses appear on the operating statement and the balance sheet, and there are no taxes with which to pay the running expenses of government.

This is what we face today. I think this special session may be forced into a situation within the next 2 or 3 weeks where we shall have to take up monetary legislation and go further than we have or else recede. This depression is a problem of "monetary management." If we do not do it this session, perhaps we shall have to do something in the next session.

You talk about issuing bonds and issuing currency. Suppose the Government went directly to the people to sell bonds or went directly to the people to buy bonds and refused to sell to or buy from the banks, and released or called in currency accordingly. If that were the case, you would have a different picture in business today, and so on down the line.

The gentleman from Texas [Mr. PATMAN], who has devoted so much study to this problem, and in whose opinions I am very much interested at all times, not from a partisan standpoint, but because he is a student, advocates certain things, which I questioned a while ago. If this monetary authority he proposes is to manage money further than the present managers do at the present time, it will have to act very quickly at times. If it is slow in mental reaction, if it hesitates in doing this, that, or the other, business may get away from it in the meantime, and thus you run into more

depression. If you are to have managed money, you must put up with a continual fiddling on the part of the money management. If you are not to have managed money, then you must depend on the ebb and flow of the law of supply and demand, and take the consequences whatever they may be. If you have managed money, you must take the consequences of the booms and the depressions which come about through the lack of instant, spontaneous steps taken by the money managers. When they threw \$300,000,000 of gold into the Reserve banks a few weeks ago, why did they not throw in the second \$300,000,000 and the third \$300,000,000 and the fourth \$300,000,000 until people changed their minds and ceased trying to become liquid? There the money managers did not go far enough, because they started and stopped and people then rushed to liquidity.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Texas.

Mr. PATMAN. Does the gentleman believe if we are going to have a housing program which will require the expenditure of considerable money we should commence by using as a basis for credit the idle, sterile gold which is now in the Treasury, unused?

Mr. CRAWFORD. That is a very big question, and I am not prepared to answer it extemporaneously. However, it certainly is worthy of consideration, because as you pile up \$1,400,000,000 in your sterile gold fund, it becomes a tremendous lever which the money managers can use when they decide to use it. The money managers can take steps which will push the price of farm commodities back up, if they desire to do so.

Mr. PATMAN. Can they not do the same thing under existing law through the open market committee, which has unlimited power either way?

Mr. CRAWFORD. I believe they can. The open market committee starts and stops and it hesitates. Certainly, it hesitates, because when you assume the responsibility of managing money and credit for 130,000,000 people you assume a responsibility which becomes a terror and a tragedy to the people who constitute the citizenry of your country, unless the money managers conduct their operations for the benefit of all the people.

Now, Mr. Chairman, since the passage of the 1933 Banking Act we have moved closer and closer to managed money and credit on the part of the President and the Secretary of the Treasury as provided in the gold and silver purchasing acts and under the Federal Reserve Board as covered by the provisions of the 1933 and 1935 banking acts and amendments thereto.

In other words, we have by these acts and powers created a "managed money" atmosphere. Certain powers were granted, and as they have been more or less exercised by the President and the Secretary of the Treasury and the Federal Reserve Board, they have created other forces which have been set in motion—monetary, economic, psychological. Atmospheric bugs have come into life and they are today eating away the economic vitals of our people and our economic system. Managed money was put into operation to prevent these bugs from gaining hold on our system of production, distribution, and exchange. These powers did not exist in Federal hands prior to the enactment of the laws since 1933. No President or Federal Reserve Board before 1933 had these powers to so manage money and credit; therefore, the powers could not be exercised. But today the powers are granted. They have been partly used. The President has the majority in the House and the Senate to secure other powers if "managed money and credit" is the answer. Our people move quickly; we travel in herds; when one man deserts a stock or commodity others follow. It all develops into a stampede. Panic begins to take hold, stock prices tumble, followed by commodity prices, and there is chaos. If money management has any function worth while, it is to prevent these quick and sudden shifts. To prevent something happening quickly that is disastrous, the money managers must have their fingers on the pulse of the money and credit activities of our people, and sudden and drastic action must be taken to prevent the collapse once it starts

on its course. Has the Federal Reserve Board so acted? Has the President been quick enough on the trigger? If they have, then it would appear our economic salvation does not rest in "managed money." [Applause.]

[Here the gavel fell.]

Mr. WOLCOTT. Mr. Chairman, I yield 10 minutes to the gentleman from South Dakota [Mr. CASE].

WHAT ARE THE FACTS IN CHINA?—SHOULD THE NEUTRALITY ACT BE AMENDED OR REPEALED

Mr. CASE of South Dakota. Mr. Chairman, more problems of credit have been created by wartime sales of arms and ammunition than any other one cause.

Events today prove that, as some of us said last March, the so-called Neutrality Act of 1937, instead of curbing wartime credits, is an act of hostility or friendship, according to the policy of an administration at any given time.

A few days ago we were told on this floor by the distinguished chairman of the Committee on Foreign Affairs:

I think it will aid Japan and aid the Fascist countries of Europe more by putting this law into effect than by not putting it into effect.

Further in the same speech he said:

I am not saying that we should help China, but I want to stick a dagger in these countries that are trying to create dictatorships and trying to ruin the world.

This morning a letter came from a citizen of South Dakota impressed by that point of view. He says:

I am convinced this country will have to stop Japan by force sometime, and that it is and will be best and least expensive to stop Japan now through helping China in any way we can. If that leads to war, that cannot be helped. It is much to be believed that some country will have to stop Japan.

At this point I wish merely to observe that this was exactly the argument that we heard in this country for our entry into the war in Europe in 1915 and 1916.

This week I received also a letter from the student body of Augustana College, of Sioux Falls, signed by Scott Lovald, of Midland, S. Dak., chairman of the college peace service committee. From it I read one paragraph:

The neutrality law was passed to determine our national policy and activities wherever a state of war exists. It is the law. It was drawn in response to great popular demand, was carefully considered by Congress, and was duly signed by the President. It is the third such law in 3 successive years, and it should not be nullified by useless administrative delays.

Those of you who remember the sequence may have doubts about that "careful consideration." The extension of the temporary Neutrality Act was whipped through the House one afternoon with a boatload of munitions for Spain dramatically poised in New York Harbor. The permanent bill was brought along later with 10 hours of debate, but the bill was rewritten in conference. The conference report was shot through on a single hour of debate, offered without advance notice at the first meeting of the House that was called an hour in advance of the regular meeting hour, and with no opportunity for reading the revised bill in advance.

About the only thing the conferees could tell us in the scattered time of that lone hour was that the conference bill was a great victory for the House version of neutrality.

The last speaker on the bill yielded to me for a question, and when I asked him if the revised bill did not permit the President to "change, modify, or revoke, in whole or in part," the application of the bill against any nation, he said he hoped not. A reading of the act shows that it does exactly that. But the conference report had not been brought up until the temporary act was about to expire, and there was only time to pass the bill and send it by airplane to the President who was fishing somewhere down South, and get it into effect before the temporary act expired.

So the steam roller shot it along, lest the Nation should exist among the wolves of the world without a neutrality act on its statute books.

Mr. Chairman, the act is on the books, and the wolves of war are at it again, but the act has not been invoked. We are told that the President has not found a state of war to exist. The nations involved have not declared war. Today

I am introducing a resolution of inquiry, which reads as follows:

RESOLUTION OF INQUIRY

Resolved, That the President of the United States is requested, if not incompatible with the public interests, to transmit to the House of Representatives, at the earliest practicable moment, the following information, viz:

1. Has Japan seized Chinese territory by force of arms?
2. Is Japan pressing deeper into Chinese territory?
3. Is the United States moving or preparing to move its legation from the capital of China?
4. Has the Department of State advised citizens of the United States in China to leave that country?
5. Has consideration of the removal of the legation and citizens of the United States been caused by a conflict of armed forces? If so, between whom?
6. Are arms and ammunition and implements of war being sold by or shipped by United States citizens to any such armed forces? Are they going by cash or credit?
7. Does a state of war exist in China?
8. Is it a fact that the Department of State is using the Neutrality Act as an instrument of policy, as indicated by the following statements of the chairman of the Committee on Foreign Affairs on the floor of the House of Representatives on November 17, 1937, to wit:

"I think it will aid Japan and aid the Fascist countries of Europe more by putting this law into effect now than by not putting it into effect."

And again:

"I am not saying that we should help China, but I want to stick a dagger in these countries that are trying to create dictatorship and trying to ruin the world."

9. What armed forces of the United States are in China or Japanese territory or waters, and for what purpose?

We are also told that the exportation of arms and ammunition is five times as much to China as to Japan, as if that proved application of the neutrality theory and also proved there was no need to invoke the act.

The question of whether a state of war exists within the meaning of the act, in my opinion, is whether or not exports of arms and ammunition and implements of war are proceeding in such ships and under such conditions of credit that we will eventually be drawn into the war to insure the victory of the side to whom we have extended most credit.

And that, as nearly as I can recall, was the attitude of the proponents of the bill when it was brought before the House.

It is perfectly apparent today that we have a wholly "discretionary" Neutrality Act. When the bill was before us on the floor of this House, I stated four objections to its form. I said:

First. Discretion destroys neutrality by the very name itself.

Second. Application of an embargo in a discretionary way will evoke reprisals by the nations hurt and thereby involve us in war.

Third. America cannot escape the obligations of humanity in the family of nations, and any assertion of America's responsibility in such matters should be a deliberative act of the Congress and not a matter of chance growing out of the technical violation of rules prescribed and modified from time to time by any one man.

Fourth. Presidential discretion is not the road away from war. The road away from war calls for placing the decision on question of peace and war nearer to the people, not farther away from them.

I further said:

We beat our breasts here and cry to heaven about the mind and heart of America being for peace. Then why not implement this will of the people for peace by giving to them the discretion in actual declarations of foreign wars? This measure is headed the other way. It does not restore the power of choice on war to the people; it removes it farther from them. They become, more than ever in the history of America, the pawns in Presidential policy.

Mr. Chairman, the Neutrality Act should be amended, repealed, or observed. It should not be ignored. The present situation destroys respect for law at home and for America abroad.

If it is our business to be in the Orient, let us have the facts that we may declare our business clearly and openly in a way that will not mislead the people at home and that will command respect abroad.

If we have no business in the Orient, let us find that out and say so and not drift into a position from which we can extricate ourselves only by war. [Applause.]

Mr. KELLER. How is the gentleman going to do this?

Mr. CASE of South Dakota. In the first place, by getting the information which is called for in the resolution of inquiry, and then determining our course.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield to the gentleman from Michigan.

Mr. CRAWFORD. What does the gentleman think about the proposition which has developed in the Philippines within the last few days, wherein it appears from newspaper reports that President Quezon now takes the position we should continue sovereignty over the Philippine Islands rather than give them their independence, this change of attitude apparently having come about through the growing fear now in the Philippines that Japan will eventually move in there in greater volume than is the case at the present time?

Mr. CASE of South Dakota. The gentleman from Michigan was a member of the Commission which visited the Philippines and should answer that question himself.

[Here the gavel fell.]

Mr. DIES. Mr. Chairman, I make the point of order a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and three Members are present, a quorum.

Mr. WOLCOTT. Mr. Chairman, I yield 6 minutes to the gentleman from Illinois [Mr. CHURCH].

Mr. CHURCH. Mr. Chairman, I ask unanimous consent to precede out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. CHURCH. Mr. Chairman, I am pleased to say a word in favor of this bill. I happen to have been the author of the credit union bill in the State of Illinois.

The things I want to say are perhaps a little out of order. But I wish to present a very short statement I had in mind making this morning. I cannot get this problem before you better than to read this statement which represents the policy of the Members on this side of the aisle adopted at our conference last night. The statement is as follows:

Resolved, That the national interest demands, in view of a distressing increase in unemployment during the last 6 weeks, the immediate outright repeal of the prevailing Federal taxes on undistributed profits.

The Republican Party, as here represented, demands that a special bill repealing this unsound tax be immediately enacted in the present extraordinary session, the repeal to be retroactive upon earnings for the calendar year 1937.

Such immediate legislation, separate and apart from all other revenue measures, is urgently required to check a national economic situation now drifting rapidly from recession to depression, and causing intense suffering to the workers in every industry and in every community.

Mr. Chairman, the men interested in these credit unions are the wage earners all over America. They would appreciate their Thanksgiving tomorrow all the more if you would take these obstructive tax burdens off the businesses of the country. The working men bear this burden in the lack of work and smaller wages. Stop this dilly-dallying such as we have been doing here for the past 10 days and go to the basic cause of the thing that is causing the distress we have today—lack of work. Our people want wages, decent wages, and no doles.

This is the trouble with your program to date. You do not face facts squarely. You are dilly-dallying. I am asking that you proceed with a real remedy and that you at least consider the subject. So far there has been no meeting of the full Ways and Means Committee of the House. Yes; you have had a subcommittee meeting. Yes; you are intimating you are going to bring in legislation with the vain hope that your intimations will encourage business. But the press carries the statement that the chairman of the Ways and Means Committee does not intend to do anything until the next session, until this year passes, or in other words, until business, wondering what in the world your program is going to be, gets beyond the stage where it can be helped.

We need the corrective legislation now. When we come back here in January, it will be too late. Our people are

finding it hard to survive. There can be no Thanksgiving when there is distress and uncertainty.

I now withdraw my objection to the request made a while ago to adjourn; but I wish to say I intend to press you every day you are here, from now on, to see that you recognize that what our people want is jobs—decent jobs—with a living wage and no more of your doles. It is work, not political relief, our people want.

Mr. KELLER. Mr. Chairman, will the gentleman yield for a question?

Mr. CHURCH. I yield back the balance of my time, Mr. Chairman.

The Clerk read as follows:

Be it enacted, etc., That section 6 of the Federal Credit Union Act, approved June 26, 1934 (U. S. C., 1934 edition, title 12, sec. 1756), be, and the same is hereby, amended to read as follows:

"Sec. 6. Federal credit unions shall be under the supervision of the Governor, and shall make such financial reports to him (at least annually) as he may require. Each Federal credit union shall be subject to examination by, and for this purpose shall make its books and records accessible to, any person designated by the Governor. The Governor shall fix a scale of examination fees to be paid by Federal credit unions, giving due consideration to the time and expense incident to such examinations, and to the ability of Federal credit unions to pay such fees, which fees shall be assessed against and paid by each Federal credit union promptly after the completion of such examination. Examination fees collected under the provisions of this section shall be deposited to the credit of the special fund created by section 5 hereof, and shall be available for the purposes specified in said section 5."

Sec. 2. Paragraph (7) of section 7 of the Federal Credit Union Act (U. S. C., 1934 edition, title 12, sec. 1757) is hereby amended by striking out the period at the end thereof, inserting a semicolon, and adding the following: "(c) in accordance with rules and regulations prescribed by the Governor, in loans to other credit unions in the total amount not exceeding 25 percent of its paid-in and unimpaired capital and surplus; (d) and in shares or accounts of Federal savings and loan associations."

Sec. 3. Section 16 of the Federal Credit Union Act (U. S. C., 1934 edition, title 12, sec. 1766) is hereby amended by adding subsection (e), to read as follows:

"(e) The Governor is hereby authorized to make investigations and to conduct researches and studies of the problems of persons of small means in obtaining credit at reasonable rates of interest, and of the methods and benefits of cooperative saving and lending among such persons. He is further authorized to make reports of such investigations and to publish and disseminate the same."

Sec. 4. Section 18 of the Federal Credit Union Act (U. S. C., 1934 edition, title 12, sec. 1768) is hereby amended to read as follows:

"Sec. 18. The Federal credit unions organized hereunder, their property, their franchises, capital, reserves, surpluses, and other funds, and their income shall be exempt from all taxation now or hereafter imposed by the United States or by any State, Territorial, or local taxing authority; except that any real property and any tangible personal property of such Federal credit unions shall be subject to Federal, State, Territorial, and local taxation to the same extent as other similar property is taxed. Nothing herein contained shall prevent holdings in any Federal credit union organized hereunder from being included in the valuation of the personal property of the owners or holders thereof in assessing taxes imposed by authority of the State or political subdivision thereof in which the Federal credit union is located: *Provided, however,* That the duty or burden of collecting or enforcing the payment of such tax shall not be imposed upon any such Federal credit union and the tax shall not exceed the rate of taxes imposed upon holdings in domestic credit unions."

Mr. DIRKSEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DIRKSEN: Page 4, after line 3, insert a new section to read as follows:

"Sec. 5. Provision by an employer of facilities for the operations of a Federal credit union on the premises of such employer shall not be deemed to be intimidation, coercion, interference, restraint, or discrimination within the provisions of sections 7 and 8 of the National Labor Relations Act, approved July 5, 1935, or acts amendatory thereof."

Mr. STEAGALL. Mr. Chairman, I reserve a point of order against the amendment.

Mr. DIRKSEN. Mr. Chairman, the success and effectiveness of a credit union in supplying funds up to \$50 without security for people who need such funds for provident and productive purposes within the provisions of the original act are, after all, measured in large degree by the amount of money that a credit union can get by subscription to its shares. The subscription price under the act is \$5.

These credit unions flourish, by and large, in large industrial plants. There is one over in the Government Printing Office. There are a number in the departments downtown,

and the amount of money that comes into the coffers of a credit union is determined largely by how available the facilities of the credit union are.

A singular thing has come to my attention this summer. In one industry, particularly, the men were ready to set up a credit union. They thought they could thrive best by getting a room allocated on the premises of the factory and there do business when the men got their pay checks so they could subscribe to shares. The employer said, "I cannot give you a room," and when asked why not, stated, "Under the interpretation of the Wagner Labor Relations Act that might very conceivably be construed to be discrimination on my part as an employer, and therefore I cannot give you a room."

I do not know whether the question has been actually passed upon by the National Labor Relations Board, but it has come up in connection with several industries to my certain knowledge, and it seems to me if there is any doubt, or if an employer can take refuge under an interpretation of the act whereby he may say to the men, "I am sorry, but I cannot give you a room where you can collect money from the men for your credit union," that uncertainty ought to be resolved right now. Since we may have no further legislation on the subject of credit unions at this session of Congress, I thought this a proper and opportune time to offer this amendment.

The amendment does nothing more than simply to say that if an employer provides facilities for the operations of a credit union upon the premises of his factory, it shall not be considered to be discrimination or intimidation or coercion. It is high time that this doubt was resolved, and I may say that this is in the interest of building up more credit unions. They are the only thing that the wage earner has to look forward to as against the loan sharks in the country.

The act provides 1 percent on unpaid balances as against 3½ percent a month that is being collected by the small-loans companies everywhere in the country. Under this act facilities are made available by Federal legislation with some 2,500 credit unions doing business now.

The practice is expanding and if there are obstructions in the way, let us remove them in order to facilitate the growth and additional expansion of these unions. This amendment which I offer has that in mind and nothing else and I hope it will be adopted.

Mr. KELLER. Will the gentleman kindly have his amendment repeated?

Mr. DIRKSEN. The amendment is as follows:

Page 4, after line 3, insert a new section to read as follows:

"Sec. 5. Provision by an employer of facilities for the operations of a Federal Credit Union on the premises of such employer shall not be deemed to be intimidation, coercion, interference, restraint, or discrimination within the provisions of sections 7 and 8, of the National Labor Relations Act, approved July 5, 1935, or acts amendatory thereof."

Mr. SEGER. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. Yes.

Mr. SEGER. Does the gentleman know that some of the Federal buildings—post offices—have refused to give room to some of these credit unions?

Mr. DIRKSEN. So I understand, and I think any doubt in the premises ought to be resolved in favor of the credit unions.

Mr. STEFAN. Mr. Chairman, this question came up in the Committee on Public Buildings and Grounds and permission was asked to allow space to be assigned for this purpose in Government buildings. That permission was given.

Mr. STEAGALL. Mr. Chairman, I do not insist upon the point of order, nor is there any objection to the amendment.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Illinois.

The amendment was agreed to.

Mr. STEAGALL. Mr. Chairman, I move the Committee do now rise and report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. THOMASON of Texas, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill S. 2675, and had directed him to report the same back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

Mr. TABER. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from New York makes the point of order that there is no quorum present. The Chair will count. [After counting.] One hundred and thirty-seven Members present, not a quorum.

Mr. RAYBURN. Mr. Speaker, I move a call of the House. The motion was agreed to.

The SPEAKER. The Doorkeeper will close the doors, the Sergeant at Arms will notify absentees, and the Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 8]

Aleshire	Eaton	Lea	Sabath
Allen, Del.	Eicher	Lesinski	Satterfield
Allen, Ill.	Evans	Lewis, Md.	Schulte
Barry	Paddis	McGroarty	Scrugham
Beam	Fitzgerald	McMillan	Sheppard
Bernard	Fitzpatrick	Magnuson	Simpson
Biermann	Flannagan	Mahon, S. C.	Sirovich
Bloom	Fleger	Martin, Mass.	Smith, W. Va.
Boehne	Gasque	Mead	Somers, N. Y.
Boylan, N. Y.	Gifford	Meeks	Stack
Buckley, N. Y.	Gilchrist	Merritt	Starnes
Byrne	Goldsborough	Mitchell, Ill.	Sullivan
Cannon, Wis.	Gray, Pa.	Mouton	Sweeney
Cartwright	Harlan	O'Brien, Mich.	Tarver
Casey, Mass.	Harrington	O'Connell, R. I.	Taylor, Colo.
Celler	Hart	O'Day	Taylor, S. C.
Chapman	Hildebrandt	Owen	Thom
Claypool	Hill, Ala.	Palmisano	Tobey
Cluett	Holmes	Parsons	Wallgren
Cole, Md.	Hunter	Pettengill	Walter
Cole, N. Y.	Jacobsen	Pfeifer	Weaver
Costello	Jarrett	Polk	Wene
Cravens	Johnson, Minn.	Powers	West
Cullen	Johnson, Luther A.	Rabaut	Whichel
Cummings	Kee	Ramspeck	Withrow
DeMuth	Kennedy, N. Y.	Randolph	Wolfenden
DeRouen	Kenney	Rich	Woodrum
Ditter	Kinzer	Robertson	
Douglas	Kleberg	Robinson, Utah	
Drewry, Va.	Lamneck	Rogers, Okla.	
Driver	Lanzetta	Rutherford	

The SPEAKER. On this call 309 Members have answered to their names, a quorum.

Mr. STEAGALL. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

Mr. STEAGALL. Mr. Speaker, I move the previous question on the bill and amendment to final passage.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the third reading of the bill as amended.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

EXTENSION OF REMARKS

Mr. CRAWFORD. Mr. Speaker, I ask unanimous consent to extend my own remarks on the subject matter I discussed a while ago.

The SPEAKER. Is there objection?

There was no objection.

CALENDAR WEDNESDAY BUSINESS

Mr. LEA. Mr. Speaker, I ask unanimous consent that further proceedings under the calendar be dispensed with.

The SPEAKER. The gentleman from California asks unanimous consent that further proceedings under the Calendar Wednesday rule be dispensed with. Is there objection?

There was no objection.

EXTENSION OF REMARKS

Mr. CHURCH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

PERSONAL EXPLANATION

Mr. CHURCH rose.

The SPEAKER. For what purpose does the gentleman rise?

Mr. CHURCH. Mr. Speaker, to submit a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. CHURCH. Mr. Speaker, earlier in the day the majority leader asked unanimous consent that when the House adjourns today it adjourn to meet on Friday next. I reserved the right to object. Under my right to object I proceeded to make a short statement.

The SPEAKER. Will the gentleman please submit his parliamentary inquiry?

Mr. CHURCH. I am submitting it. I made the reservation of objection for the purpose of making a short statement. Then someone called for the regular order, which forced me to object. I have been able since that time to make my statement, and now, Mr. Speaker, if I withdraw my objection, which I am willing to do, and now do, is it in order and will the request of the gentleman from Texas prevail?

The SPEAKER. The Chair will state in answer to the inquiry of the gentleman that no request is now pending before the House to which he could object or not object.

EXTENSION OF REMARKS

Mr. PIERCE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a letter which I addressed to Miss Dorothy Thompson in respect to an article of hers which appeared in the Evening Star.

The SPEAKER. Is there objection?

There was no objection.

Mr. DIRKSEN. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. McFARLANE. Mr. Speaker, I ask unanimous consent to extend my own remarks by including a copy of a letter I wrote to Mr. Green and Mr. Lewis.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. SHANNON. Mr. Speaker, I ask unanimous consent to insert in the RECORD a short speech I made before a colored labor organization, the National Alliance of Postal Employees, at Kansas City on October 10, 1937.

The SPEAKER. Is there objection?

There was no objection.

By unanimous consent, Mr. DUNN was granted permission to revise and extend his own remarks.

Mr. LUCKEY of Nebraska. Mr. Speaker, I ask unanimous consent to extend my own remarks by inserting in the RECORD a radio address that I delivered last night.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. Under special order of the House heretofore made, the gentleman from Michigan [Mr. WOLCOTT] is recognized for 20 minutes.

THE AGRICULTURAL SITUATION

Mr. WOLCOTT. Mr. Speaker, in connection with my remarks, I ask unanimous consent to read brief excerpts from a letter received from a constituent.

The SPEAKER. Is there objection?

There was no objection.

Mr. WOLCOTT. Mr. Speaker, this morning I received a letter from an outstanding farmer in my district commenting upon some of the legislation which was pending before the special session of Congress. In that letter he has the following to say:

One of these measures, the farm bill that the present incumbent of the White House seems bent on slipping across, presents an issue that I believe should be squarely met, and Mr. Roosevelt shown unmistakably that the American farmer isn't going to be ordered what to do, told what to plant, and how to plant it. We don't intend to stand for license tags on every cow's tail.

After all, we own our own land, our cattle, and equipment. Might just as well tell General Motors how many cars it can produce. This measure smacks too much of dictatorship and shows clearly the thinking, or lack of thinking, of one Franklin Delano Roosevelt.

Another measure that it seems to me should be stepped on is that aimed to control hours of labor and wages. It's hard enough now to hire help, what with the competition of Mr. Roosevelt's shovel-sitting brigades, without being compelled to meet the opposition of wage-controlled industries.

Furthermore this attempt to get more money for less work will merely kill the goose that lays the golden egg, for there won't be more work, but less and less, and then who'll buy the products that the farmer produces? Maybe Mr. Roosevelt's doll droolers will, but I doubt it.

This letter brought to my mind the fact that on several other occasions I had received letters from other outstanding farmers expressing their views on crop-control legislation as a means of bringing prosperity to the farmers.

It seems to me that any farm legislation which anticipates an increase in revenue to the farmer because of curtailed production is economically unsound. I believe this conclusion is borne out by the fact that for the first time in over 40 years we have an unfavorable trade balance with foreign countries. The crop control and so-called reciprocal trade policies of the administration have been directly responsible for this condition. How we can justify a reduction in agricultural production as a means of artificially increasing the price of agricultural products with, in the President's language, one-third of our people ill-housed, ill-clad, and ill-fed, is a thing which I have never been able to understand. It has seemed to me that a logical approach to the problem of agriculture is to give such encouragement to the consumption of agricultural products that the problem will be solved by increasing demands for them. This, of course, contemplates not only an increase in purchasing power but a more general distribution of it. The prosperity which we have seemingly enjoyed during the last 3 years has been built upon the false premise that the Government could solve our economical ills by pump-priming methods, having as their purpose the creation of temporary credits which, because there has been no substantial increase in national wealth as an incident of the pump priming, became static almost as soon as released. This, of course, has necessitated increased expenditures on the part of the Government to keep the reservoir of credit sufficiently prolific for agricultural and business needs.

A new farm bill which is now being considered in the Senate, and one will shortly be considered in the House, either of which will be merely a reenunciation of this same fallacious policy that farmers of our country may prosper by producing less. The inevitable result of it will be the continued widening of the differential between the value of our imports and exports.

This administration is committed to the policy of opening the American market to foreign-produced agricultural and manufactured products. This is in spite of the fact that normally we consume within the United States 93 percent of our domestic agricultural and manufactured products. Before the United States can maintain a constant prosperity we must, therefore, give as much consideration to safeguarding our domestic market, in order that our farmers may sell at a reasonable profit within that market, as we give to the increase in exports. It is a fallacious policy, and one which naturally results in domestic economic chaos to destroy any part of the 93 percent for the purpose of slightly increasing the other 7 percent.

I believe this may be accomplished by first modifying the powers delegated to the President to enter into reciprocal trade agreements with foreign countries. This would not be necessary if the President used the powers which have been given him as intended by Congress when the act was passed.

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Had the President told Congress in his request for these powers that he was committed to the outmoded policy of free trade, I doubt whether he would have been given these broad powers to destroy the American market. It is apparent, therefore, that inasmuch as this Tariff Act has resulted in the President accomplishing indirectly what he would not have been authorized to do directly, Congress should recoup its jurisdiction over foreign trade policies. Second, purchasing power may be distributed to create a demand for domestic agricultural and manufactured products by giving encouragement to the acceleration of credits from normal and natural sources.

In this connection let me call attention to the fact that up until very recently members of the Cabinet have been calling the attention of the country to the fact that our business was almost normal. Miss Perkins, the Secretary of Labor, said in a radio address on July 31 of this year:

Manufacturing employment is now at a level substantially equal to that of March 1929, and trade and service groups are employing nearly as many persons.

Jesse Jones, Chairman of the Reconstruction Finance Corporation, at Seattle, Wash., on August 5, 1937, said:

Recovery is achieved. Business is good everywhere. We are really back to normal.

The Board of Governors of the Federal Reserve System reported on September 28, 1937, that the volume of industrial production in August was 117 percent of the 1923-25 average. It is a recognized fact that industrial production and business turn-over were 92 percent normal, using 1929 as a base. It is equally true that the use of private credit was only 50 percent normal. So it is manifest that credit was being obtained from the Government and not from private sources to carry on business and to keep the wheels of industry revolving.

We have our attention called to the fact that this was planned that way; that it was planned that the commodity price index would be steadily on the incline, and therefore we planned that the prices would go up, and the result of our planning was a rise in prices. Now, to stop this rise in prices at a time when Cabinet members were giving out information that we were approaching a normal condition, the Board of Governors of the Federal Reserve Board, not contributing to the safety of the situation, not contributing to the optimism on the part of the members of the Cabinet, and to stop the unsupported and unusual rise in the price commodity index, on two occasions raised reserve requirements.

That is why I say that the recent recession in commodity prices has been undoubtedly due to the uncertainty of administration policies. It is quite generally understood that the prosperity we have seemingly enjoyed during the last 3 years has been the result of an unnatural creation of credit by the Government, not based upon any substantial increase in national wealth. Agriculture, business, and industry, realizing that the rise in commodity prices and the acceleration in production has been largely the result of Government spending, are evidently reacting to the probability that, through necessity, these credits on which our seeming prosperity has been built will be shut off and the flow of credit incident to Government borrowing and spending would thereby create a status quo condition.

It is manifestly true that to balance the Budget contemplates a reduction in Government expenditures. To create a condition in which we may make substantial progress we must substitute private credit, which flows from normal and natural sources, for the unsubstantial manufactured credit created by the Government. The one is substantial and the other is not substantial for the reason that credit emanating from private sources is predicated upon a proportionate increase in national wealth and continues to flow out and accelerates according to the needs of agriculture and business, while that credit manufactured by Government spending is not substantial because it immediately becomes static, due to the fact that it does not have the private wealth and initiative behind it to keep it going.

To correct this situation encouragement must be given to agriculture and business to create and accelerate credits to

offset those withdrawn by the reduction of governmental expenditures. To accomplish this we must first remove all uncertainty in our governmental policies. We should stop experimenting with business and agriculture and establish permanent stable policies of noninterference with private initiative and harmful control of our agriculture and business. We should remove the constant threat to agriculture and industry of confiscatory taxation due to continued deficits; we should stop buying foreign and domestic gold at a price far in excess of the market value; we should rebuild our domestic market; we should discourage by reasonable protective tariffs importation of foreign-grown and manufactured goods; and then stabilize our own currency as an inducement to other nations to tie their currencies to the American dollar, which, of course, would result in a substantial increase in exports of the products of our farmers and factories. We should balance our Budget, not by new taxes but by the reduction of governmental expenditures. But, as I have pointed out, this cannot be done under the present policy of this administration, or until inducement is given to the creation and acceleration of private capital and credits in substantially the same amount as were destroyed by the Government withdrawing from the credit market.

Continued spending by the Government only results in increasing the excess reserves of our banks. It ultimately benefits no one and only results in a glutted credit market, adding to the fear and uncertainty of business. As an aid to increasing the acceleration of credit from normal and natural sources, we can reduce bank-reserve requirements. This will enable a normal and sufficient flow of credit for business and agricultural purposes and the volume and rate of acceleration of this credit might be controlled by manipulating the rediscount rates in the several Federal Reserve districts. This is the logical approach to the question of a constant flow of credit in proportion to business and agricultural requirements.

Until the administration approaches these questions with these purposes in mind, I am fearful that there will be no substantial progress. The earlier we realize and accept the mistakes which we have made, the more rapid will be our return to normal and substantial prosperity. [Applause.]

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. Under the previous order of the House, the gentleman from Michigan [Mr. Hook] is recognized for 15 minutes.

Mr. HOOK. Mr. Speaker, before entering upon the subject I intended to discuss today, I want to say that I listened with interest to the previous address. Being a member of the Committee on Agriculture, I naturally took cognizance of some of the remarks of the gentleman from Michigan [Mr. Wolcott]. I believe that the proper approach is not to reduce the growing of any commodity but under present circumstances this goal is in the long distant future. At the present time, however, it is up to us to handle our agricultural program to the best interests of the country as they now appear. As far as I understand the bill, it is not a compulsory bill until such time as the amount of commodities raised will endanger the price in this Nation. At that time there will be a referendum of the farmers producing the commodity in question, the result to be determined by two-thirds of the farmers voting and only after a referendum of all the farmers.

Mr. Speaker, I believe that there are two sides to every question and that intelligent Americans deserve to hear both sides. It is for this reason that I ask, not for help but for your attention.

So far as the newspapers and editorials are concerned, the public has been aware of only one side.

Time does not permit to begin a dissertation of the meaning and purposes of some of the charges and propaganda which thus far have proved so embarrassing to some of the authors. One can, however, offer certain facts which will make intelligent men entertain serious doubts as to their sincerity. It is in this light that I approach my subject today.

The present vision of social need exhibited by some legislators and tax-economy bodies is discouraging. It ought to be clear to all persons that this country was badly in need of social reform and an adjustment to the variations in environment and to the changing condition of things. In order to meet the growing demand for the adjustment of our economic life, new functions of government had to be set up, new methods of revenue had to be devised, and this necessarily meant new taxes. It is the popular thing to cry "economy" and to effectuate that economy by crying, "Cut off or revise existing tax laws."

Statesmanship will show itself in not cutting thoughtlessly from budgets the recently added services that brought about better living conditions and brought this Nation out of chaos, but by analyzing the curricular content in terms of social need. What is required is thoughtful economy rather than slashing ruthlessly or short-sighted retrenchment. Let the ax fall on those services that contribute little to human welfare and be withheld from injuring the indispensable functions of modern good government.

I need not rehearse the condition of the country from 1929 to 1933. You are all well aware of what was needed at that time. You are all aware of what happened when the present Democratic administration came into power. New methods and schemes were devised. The businessman, the bankers, and the economic royalists, if you please, joined with the great mass of people clamoring for these reforms. President Roosevelt, with the help of the Congress, enacted legislation that brought industry out of bankruptcy and brought better living conditions to the people of this Nation. The Government was required, through the pressing need of the day, to raise taxes to meet the increased functions of Government that was placed there through necessity. The people of this Nation, including those who are now crying tax reform, tax revision, tax appeal, and a 10-point business-recovery program, acclaimed President Roosevelt and the New Deal the savior of this Nation. Those who represent big business, mostly those who represent monopolies now, have regained their prosperity and are recommending that this Government carry out the same job, but that no money nor taxes be raised for that purpose. I fully realize that economy is needed, that a balanced Budget is needed, but it must come through reorganization of governmental departments and bureaus, and not by a ruthless slashing of expenditures, without regard to the need of the people.

Big business needed help; they received it from the United States Government; big business has recovered. Agriculture needed and still needs the assistance of both the Government and big business. Labor needed assistance and still needs the assistance of the United States Government. It should receive the assistance of the big business that has now recovered. The great mass of unemployment—yes, that great mass that is ill-fed, ill-housed, and undernourished—needs the assistance of their Government. It cannot be done without the appropriation of money and without taxes to carry out the job.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield?

Mr. HOOK. I yield.

Mr. HOFFMAN. If the President, with the aid of Congress, restored prosperity, how does it happen that we have the one-third to whom the gentleman now refers ill-housed, ill-clothed, and ill-nourished?

Mr. HOOK. They were left over from Republican days, ones we have not been able to take care of.

Mr. HOFFMAN. What was the percentage the gentleman's party took over?

Mr. HOOK. About 50 percent.

A leader of the Republican Party from Michigan recently spoke over a national hook-up and said business was in a jittery state of mind, and asked Congress to repeal laws to allow business to make long-range plans. I say there is no reason for legitimate business to lose hope and yield to this prophet of doom merely because he and his party admits business should be regulated, but refuses to concede that Democratic regulation, which has brought better living con-

ditions and real social reform to millions of American citizens, are proper regulations. Oh, yes; he wants a different kind of regulation, and in furtherance of that regulation has introduced amendments to the National Labor Relations Act, known as the Vandenberg amendments. Let us consider the origin, the background, the theory, the tone, and the meaning of those proposed amendments.

Today, all enlightened persons in America agree that collective bargaining is the sane and sound means of determining hours, wages, and working conditions. The history of collective bargaining shows the satisfactory results in having terms of employment fixed by contract or by arbitration under contract, in negotiations in which both sides freely participate, rather than by strikes.

Congress, by the enactment of the National Recovery Act, has protected the workers in exercise of self-organization and designation of representatives of their own choosing, and thus removed the obstructions to commerce occasioned by strikes. Congress concluded that the Federal Government could, at least, assure the first steps in collective bargaining and leave the two sides freedom to continue the remaining steps. Congress has given labor the right to have representatives of their own choosing and leaves the negotiations of contracts and their performance under those contracts to the two sides and of the general law for their enforcement.

This is where the Vandenberg amendments come into the picture. I have had occasion to study those proposed amendments and also have studied the Fascist labor law, known as the Rocco Act of 1926, adopted April 3 of that year by the fascistic Government of Italy. Under the Rocco Act, government-controlled labor unions were set up and representatives of the employers of those so-called unions bargained collectively with representatives of the employers. Agreements were signed, arbitration proceedings were held, and wages and hours were fixed. It was, in my opinion, the real lever that was used by the mailed fist of dictatorship to gain complete control over labor and industry, because the fascistic Government exercised complete control over these negotiations. No strike was allowed, no labor union could function without the approval of the fascistic Government. Bona fide unions in Italy were abolished just as they were in Germany. How far can we go in this democracy in the exercise of Government control over labor unions and the process of collective bargaining without approaching fascism and nazi-ism?

I have studied the proposed Vandenberg amendments and find that they are potentially dangerous to labor. That they, too, as the Fascist Rocco Act, would place a bureaucratic control over labor unions, which is a long stride forward toward the kind of control that is now witnessed in Rome.

The Vandenberg amendments are nothing but a gratuitous insult to organized labor and labor in general in the United States.

They infer that labor unions are irresponsible organizations and cannot be trusted to handle their own contracts. There is nothing in the record of the labor movement in this country to warrant this vicious inference. Labor resents this charge of irresponsibility because the breaches of contracts by labor are negligible. The Vandenberg amendments in theory, in tone, and in fact are the same in principle as the Fascist Rocco Act, and I am wondering whether that is what was meant by the words spoken over the radio by the Republican Presidential aspirant when he said—

Business cannot make essential long-range plans when in respect to essential factors it is wholly at the mercy of transient political judgments.

Therefore, I repeat the words of the leader of the Republican Party from Michigan and prominent in the high national circles of that party, as they were spoken over the radio—

The candid Communists or Fascists in a democracy are bad enough, but wolves in a sheep's clothing are worse. There can be no hope for an era of happy confidence in the United States unless at the base of everything there is sanctity for American constitutional system.

It is insisted that under the Vandenberg amendments, strikes under certain circumstances should be forbidden.

They do not as yet go as far as the Fascists and forbid all strikes, but they are certainly pointing up that alley. Amendments along those lines were offered at the time of the discussion of the National Labor Relations Act in an effort to torpedo that bill but were defeated.

Labor is naturally wary of court interpretations of labor laws. We have seen the labor provision in the Clayton Act, which labor hailed at first as a Magna Carta, twisted by Federal judges into a yoke about labor's neck. We have seen even the fine Norris-LaGuardia Anti-injunction Act ignored as recently as this summer by a Federal district judge who granted an injunction in defiance of its requirements. We have seen Federal judges nullify the labor guaranties of the N. R. A. Naturally, labor must be sure that it supports no law which can be grossly misinterpreted out of its real meaning.

It is insisted also, that under the Vandenberg amendments to the National Labor Relations Act, strikes under certain circumstances should be forbidden. They do not go as far as the Fascists at this time and forbid all strikes but it is a long stride in that direction. Unions must determine by their own rules and by their own requirements, with due regard to the existence of contracts and to the rights of the public, when their members shall cease work. The only weapon which employees have to compel an agreement is a strike. The law cannot take away this right of strike unless it can also compel the employer to sign a contract and this would be, under our system of government, an impossible legal requirement, hence the danger of the Vandenberg amendments.

[Here the gavel fell.]

Mr. HOOK. Mr. Speaker, I ask unanimous consent to proceed for 1 additional minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. MAPES. Mr. Speaker, will the gentleman yield?

Mr. HOOK. I yield.

Mr. MAPES. Mr. Speaker, I never saw the amendments to which the gentleman refers, but I did hear the Senator in a public address declare very definitely that he believed in the right of labor to bargain collectively and in its right to strike.

Mr. HOOK. He restricts it in his amendments. I have both the Rocco Act and the amendments here.

We cannot permit a boomerang to be made of this law by those who raise all this to-do about unions being held responsible at law by persons who, either purposely or in ignorance, overlook the fact that for years unions have been held by the courts to be fully responsible for their acts. Large sums in damages were awarded against union members by the courts in the Danbury Hatters case, and the awards were paid in full by the unions. In the Coronado Coal case, 1924, the United Steel Workers were held suable and liable in damages. The American courts have issued over 1,300 injunctions against labor unions in the last several years. Therefore how can any question be raised at this late date that unions be made subject to legal responsibility for their actions?

It is a smoke screen to hide behind to try to place into the law a fascistic control over labor in this Nation. Labor should know their enemies and act accordingly.

God forbid that the iron hand of dictatorship be set up in this Nation. Business has no reason for fear, even though false prophets would try to instill that fear. I trust and hope that the Democratic Members of this House will stand by the gallant leadership of this House and "keep up the recovery." This slogan should be adopted as the battle cry of this Congress.

[Here the gavel fell.]

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent that the gentleman's time be extended 5 additional minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield?

Mr. HOOK. I yield.

Mr. HOFFMAN. In answer to my question a while ago the gentleman, as I understood him, answered that 50 percent of the people were on relief between 1929 and 1933. Assuming that in 1933 our population was 130,000,000 and that 50 percent, as the gentleman states, were on relief, that would mean that 65,000,000 were on relief. Now, if one-third are still in that condition it means that after the expenditure of \$15,000,000,000—some say \$19,000,000,000—we have taken care of 21,666,667 people; and, if the population remained the same, still have, if the gentleman is correct, 43,333,333 people to care for, which at the same rate would require from thirty to thirty-eight billion dollars additional, and with a national debt of thirty-seven billions, where is the money to come from? How much is it going to take—and where does the gentleman think we are going to get the money—to take care of this one-third who are still ill-housed, ill-clad, ill-nourished?

Mr. HOOK. The cry of "Wolf! Wolf!" has always been set up.

Mr. HOFFMAN. This is just an inquiry as to where we are going to get the money, that is all, to continue relief at that rate.

Mr. HOOK. How many billions did the gentleman say we had spent?

Mr. HOFFMAN. The United States News said \$19,000,000,000. Call it \$15,000,000,000, call it \$13,000,000,000—

Mr. HOOK. I am asking for the actual figures. Can the gentleman give us those?

Mr. HOFFMAN. No one knows how much was spent for relief and how much was wasted, but those are the figures given to the public. I do not compile them, I do not spend the money—someone down in the Department does it. These are their figures.

Mr. HOOK. The gentleman says \$15,000,000,000?

Out of that agriculture was taken care of. Out of that big business was taken care of. Out of that loans were made to home owners of the country. Out of that there was Federal housing. Out of that there were many agencies of the Government created which lent money, and that money is out and coming back. It has not been spent but is a real investment by this Government.

Mr. HOFFMAN. How much more will we need, and where is it going to come from to take care of the other folks? That one-third still means 43,333,333 people.

Mr. HOOK. I may say that we should not revise or slash any of the tax laws that are in effect today, so that we may still have money to take care of the needs of this country. As long as we continue increasing the income of this country, we will have to increase the taxes to take care of those people the gentleman just mentioned, and the Democratic Party will do that.

[Here the gavel fell.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin [Mr. AMLIE] is recognized.

Mr. AMLIE. Mr. Speaker, I am going to take up the discussion where the gentleman from Michigan left off under interrogation. I take flat exception to the general tone of practically all of the talks that have been made here during the past 2 weeks. I first came here as a Member of the Seventy-second Congress about 6 years ago, during the Hoover administration. I have been very much impressed during the past 2 weeks with the fact that as far as the United States Congress is concerned, we hear the same speeches today that we heard 6 years ago. These speeches demand that Federal expenditures be reduced, that Federal taxes be cut, that the Budget be balanced, and that necessary services be curtailed.

Mr. Speaker, I take the position that we have no alternative but to keep on spending; that we must keep on spending, that we must be prepared to increase the amount of expenditure during the next year over and above the amount

we have expended during the past year; that such prosperity as we have enjoyed during the past 4 years has been largely due to expenditures made by the Federal Government. I go further and state that, in my opinion, our economic system has come to a point where it will not operate in the future except as a result of Government spending; that these transfusions of purchasing power into the economic system are necessary as a means of continuing to operate in the future not only this year but permanently. I will qualify the statement by saying that during periods of actual economic upturn the Federal Government should endeavor to curtail Federal expenditures and seek to approach a balanced Budget; but during a period of economic contraction, then the Federal Government has no choice but to try to make up for the lack of economic activity. I feel we are entering such a period today and that we have no choice about the matter of spending.

While on that subject I am going to revert to the question asked by the gentleman from Michigan [Mr. HOFFMAN]: Where will we get the money to pay for these expenditures? We shall have to borrow. Immediately the argument is raised that we cannot afford to do that, that our credit will not last. I may say that the per capita Federal indebtedness of the people of the United Kingdom at the present time is \$745. The indebtedness per capita of the people of the United States in 1937 is \$285. The per capita Federal indebtedness of the people of the United Kingdom is nearly three times as great as that of the people of the United States.

The Federal indebtedness of the United States is about 60 percent of our national income at this time. The indebtedness of the United Kingdom is 133 percent of its national income.

Mr. HOFFMAN. Will the gentleman yield?

Mr. AMLIE. I yield to the gentleman from Michigan.

Mr. HOFFMAN. Do I understand the gentleman to advocate that because England or Great Britain has a larger debt than we have it would be a good thing to follow in their footsteps?

Mr. AMLIE. No; I am not making that argument, but I do make the argument to the calamity howlers who say if we continue to spend we will face bankruptcy, that we can continue to spend at the present rate for 20 years without reaching the relative national debt that has been reached by the United Kingdom. I feel there is no justification for the position taken by members of the Republican Party that the country is going to wind up in bankruptcy unless we balance the Federal Budget.

Mr. HOFFMAN. The gentleman thinks we can continue to spend beyond our income for 20 years without endangering our financial structure?

Mr. AMLIE. Yes; I think so.

Mr. HOFFMAN. And the gentleman believes that one who conscientiously inquires where the money is coming from is a calamity howler?

Mr. AMLIE. Yes; I would class him as such, particularly when he states squarely that the country is going to run into bankruptcy, internal disorder, and every other calamity unless we immediately balance the Budget. I feel, if we come to a national calamity, the shortest way will be not by spending but by following the gentleman's advice to immediately balance the Federal Budget.

Mr. HOFFMAN. Let us not say we must do that immediately, but at some time in the near future. May I ask the gentleman this question: Do you agree with this statement: "If, in some crisis it (the country) lives beyond its income for a year or two, it can usually borrow temporarily on reasonable terms. But if, like a spendthrift, it throws discretion to the winds, is willing to make no sacrifice at all in spending, and extends its taxing power beyond the limit of the people's power to pay, and continues to pile up deficits, it is on the road to bankruptcy"? Would you say those are the sentiments of a calamity howler?

Mr. McFARLANE. What are you reading from?

Mr. AMLIE. The gentleman is reading a part of some speech prepared by himself or someone else. I am not going into a lengthy argument on that question. I say that we can continue to spend for a great many years to come and that if we seek to balance the Budget now we shall then perhaps have the disorder that the gentleman anticipates will result from continued spending.

In the United States we are paying every year as interest on our Federal indebtedness \$6.72 per capita, whereas people in the United Kingdom are paying at this time on their national indebtedness \$22.40 per capita. It becomes clear, then, that we have not begun to approach the position, as far as national indebtedness is concerned, already reached by the United Kingdom, and we have anywhere from three to four times as far to go before we reach that point. Certainly the United Kingdom is the most solvent of any European country at the present time.

Mr. HOFFMAN. May I interrupt right there and call the gentleman's attention to the fact that in England there is 1 automobile to every 20 people, whereas here in the United States there is 1 automobile to every 4 people. The comparison is about the same on other things which we regard as necessities but which they admit are luxuries.

Mr. MCFARLANE. Meaning what?

Mr. AMLIE. I am willing to yield for any reasonable question but I am not willing to yield for irrelevant comments. Will the gentleman permit me to conclude?

Mr. HOFFMAN. May I ask one more question? I will ask for 10 additional minutes for the gentleman, because I am serious about this matter.

The gentleman was talking about calamity howlers. The statement I have just read was made by President Franklin D. Roosevelt in October 1932, and the following statement was made by him on July 30, 1933:

Revenue must cover expenditures by one means or another. Any government, like any family, can for a year spend a little more than it earns; but you and I know that a continuation of that habit means the poorhouse.

Mr. AMLIE. I do not agree with taking analogies which may apply to an individual and applying them to the sovereign Government.

I shall put my statement in this form: The prosperity we have had during the last 4 years has been due in the main to expenditures made by the Federal Government. I believe it would have been disastrous had we followed the advice of the Republicans in 1932 and attempted to balance the Federal Budget. I think the belief of the conservatives at that time that we could ride through this depression by following the course of deflation to its natural conclusion and their attempt to carry out that belief would have resulted in civil disorder and riot on a large scale in this country. I further believe we had gone as far as we could with the process of deflation and had no alternative but to embark upon a process of spending. I believe that at the present time we have no alternative but to continue the process of spending.

I think we have come to a point where this economic system cannot operate without these periodic transfusions from the Government into the veins of commerce. To use another analogy, I think this economic system is like an individual suffering from pernicious anemia, who must have periodic transfusions in order to get along. However, even though I put my argument in this form, I believe this country with its natural resources can keep going much longer than any foreign country. I question very much if our present economic system can continue to operate here after free enterprise has ceased to be the economic system prevailing in other countries. Therefore, I do not believe we are running into the serious danger the gentleman anticipates by continuing with an unbalanced Budget. I believe it is the lesser of two evils, and that under the situation we are facing today the Government must again embark on a spending program.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. AMLIE. I yield to the gentleman from Michigan.

Mr. MICHENER. I have great respect for the gentleman's views and judgment, although I do not agree with him. Am I correct in stating that the gentleman is a disciple of that philosophy which calls for doing away with the profit system in this country, that the gentleman believes in production for use and not for profit, and that if he had his way he would change the economic system of this Nation?

Mr. AMLIE. I believe we are moving to a point where the economic system will be changed. For 20 years I have expressed my views on this and tried to get the American people to agree with me. I am not speaking now, however, from the standpoint of advocating a change from an economic system driven by the profit motive to one driven by a production-for-use motive. I am merely stating what I conceive to be the course of wisdom here and now operating within the framework of the present economic system.

Mr. MICHENER. Knowing the gentleman as I do, and the sincerity of his belief in his doctrine, I know the gentleman would naturally encourage and do anything which would eventually terminate in the type of government he wants to see in this country.

Mr. AMLIE. No; that is not fair.

Mr. MICHENER. Therefore, the gentleman favors the present system because he believes it leads directly to a result which will bring about this new kind of a government he wants.

Mr. AMLIE. If the gentleman has concluded, I shall state my position.

Mr. MICHENER. I have concluded.

Mr. AMLIE. I knew a number of Communists who in 1932 voted for Hoover, because, as they saw it, that was the quickest way to bring about a revolutionary situation in the United States. I have, perhaps, been more denounced by the Communists than any other Member of this Congress, with the possible exception of two or three. I have tried to chart my course as to what I ought to support, and have tried to make my decisions on all legislation in terms of the suffering or the welfare which would result.

For instance, I was shocked when I picked up the daily paper today and noticed that "Representative CANNON, Democrat, of Missouri, ranking member of the Appropriations Committee, advocates cutting relief to a billion dollars for the coming year." Only a short while ago we had in this city a conference of mayors of the cities of the United States. At this conference the mayor of the city of Cleveland pointed out that at the present time there were 42,000 cases on relief in the city of Cleveland, with 125,000 persons altogether receiving relief, and that there were 100,000 more who ought to be on relief. He also stated that the city of Cleveland has been compelled to suspend such necessary services as the collection of garbage, the cleaning of streets, and other services of that sort, in order that every possible dollar might be diverted to relief purposes. I am satisfied that with the economic recession which is now under way we shall probably have 2,000,000 more people unemployed this coming year than during the past year.

The relief load will be much greater than it was a year ago, and in advocating a spending program I am primarily concerned with the one-third who are ill-housed, ill-fed, and ill-clothed.

Approximately 20 percent of our people are outside the economic system, and if they are going to live it will only be as a result of expenditures by the Federal Government.

I may say that the person who advocates that kind of program is animated not by a subversive motive or a subversive desire to overthrow the Government, but rather a desire to preserve that which is good here, and if there is any group that is playing into the hands of those who see revolution as a way out, it is those who, after 6 years, have learned nothing and are still continuing to advocate a balanced Budget.

I still think of myself as a new Member of this House. I came here at the opening of the Seventy-second Congress. I was rather shocked the other day when I looked over the

register of Members of Congress and found that two-thirds of the membership here had come since my first term. I am rather surprised that after two elections where the people have repudiated the position expressed by the Republicans in 1932, even now 90 percent of the membership on the Republican side and fully 70 percent of the membership on the Democratic side are continuing to express the same point of view that the people have tried to repudiate in these two national elections.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield?

Mr. AMLIE. Yes.

Mr. HOFFMAN. Is it not true that throughout his campaign speeches, as well as in the Democratic platform, the President himself advocated the balancing of the Budget?

Mr. AMLIE. I am not here to defend the President.

Mr. HOFFMAN. No; but I say that was in his campaign speeches and in the platform, was it not?

Mr. AMLIE. And I am not a critic, but as I have read his speeches, those promises have been qualified, and the thing that has stood out more than his promise to balance the Budget has been his assurance to the people that he did have a program for the underprivileged one-third and that he would seek to push that program at all times, and I feel the President of the United States has sought to carry out his campaign promises to the American people, certainly to a greater extent than any President in my time, at least, has tried to do.

Mr. McFARLANE. Mr. Speaker, will the gentleman yield for a question there?

Mr. AMLIE. Yes.

Mr. McFARLANE. Is it not true that the people of the United States in the campaign of 1936, when they went to the polls, voted primarily on the President's Madison Square Garden speech, wherein he promised the one-third of the people who are ill-clothed, ill-fed, and ill-housed that they could expect and depend upon the fact that if and when he was elected he would fight for and carry out his program to better the condition of this large group of our people, and was not that the prime principle which the people had in mind when they went to the polls and voted?

Mr. AMLIE. I would say that with the coming of the radio as an American institution, the average voter pays very little attention to statements made by candidates for Congress, and that they make up their minds, fully 90 percent, on the basis of what the Presidential candidates have to say, and I think there is a very clear demarcation in the content of the speeches of the Republican candidate and the Democratic candidate a year ago.

Mr. McFARLANE. I certainly agree with the gentleman.

Mr. HOFFMAN. Does the gentleman agree with the statement that "the last election was carried by the people who were getting favors from the Government," as stated by CARTER GLASS in the Senate on the 24th of June 1937?

Mr. AMLIE. Yes; I would agree with the statement of the gentleman taken in a broad and proper sense.

Mr. HOFFMAN. And am I correct in understanding that the gentleman's theory is that once in so often the wealth of the country or those who have should have part of their property taken from them to be shared with the more unfortunate?

Mr. AMLIE. Yes; I would agree with that.

Mr. HOFFMAN. Regardless of the work or the saving that the two classes may have done and practiced?

Mr. AMLIE. No; I would not agree to that. In a country where 4 percent of the people own 80 percent of the Nation's wealth—and I am now quoting the Senator from Idaho, who was mentioned as a Presidential possibility by the gentleman's party a year and a half ago, and those are the facts—I think when you reach such a situation, if you must take care of unemployed people, if you must raise the money by taxes, you must of necessity go to the 4 percent who have 80 percent and not to the 65 percent who have virtually nothing at all, or to the 96 percent who together have only 20 percent.

[Here the gavel fell.]

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent that the gentleman may have 5 additional minutes.

Mr. AMLIE. Will not the gentleman make it 10? Other gentlemen have taken up a large part of my time.

Mr. CASE of South Dakota. Mr. Speaker, reserving the right to object, I wish to state that I do not care to use the time allotted to me under a special order, as I have had time in general debate today.

The SPEAKER. The gentleman from Michigan [Mr. HOFFMAN] asks unanimous consent that the gentleman from Wisconsin may proceed for 5 additional minutes. Is there objection?

There was no objection.

Mr. AMLIE. Mr. Speaker, I am now expressing purely my own personal opinion. I do not know which man would have the greater support in this body, a leader of a democratic form of government or of a dictatorship. Certainly there are many Members here who feel that if and when labor becomes restive, the thing to do in this country is to establish a dictatorship. But I may say to the people who feel that that might offer a solution, that it is only 2 or 3 weeks ago that Mr. Mussolini put into effect in Italy a capital levy by which the Government simply conscripted 10 percent of the wealth of all corporations in that country, and that in order to further his foreign wars he has compelled all citizens to turn over to the Government all securities in all foreign companies. If a citizen of Italy owns 10 shares of stock in General Motors, he simply turns it over to the Government, and in return takes a receipt, and the Government uses the dividends to buy needed raw materials in other parts of the world. So when I advocate a conscription of wealth, if that becomes necessary, I do not believe that I am advocating anything particularly revolutionary. All taxation is a conscription of wealth, whether it is inheritance, income, or property taxes, or anything else.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield?

Mr. AMLIE. Yes.

Mr. HOFFMAN. Does the gentleman approve of the course to which he has just referred?

Mr. AMLIE. I neither approve nor disapprove. I am merely stating that the last hope of the conservatives when they cannot control by democratic means is to abandon democracy and establish a dictatorship. But the experience in foreign countries seems to be that when the dictator finds it necessary, he does not hesitate to resort to confiscation of wealth, the bolshevistic weapon the gentleman fears so much. It is my opinion that we can probably go along in this country for a great many years as we are doing without the necessity of resorting to a capital levy. Of course, if it comes to a capital levy, I am happy in the fact that the New Deal has given us the finest justification in the world for the use of such an instrument at any time in the future. I think the gold policy adopted, by which the owners of gold were compelled to turn over 40 percent of the value of that gold without compensation, was confiscation pure and simple, and I am sure the gentleman will agree with that. I am sure every constitutional authority would agree with that statement. If it is constitutional for the Government to take over 40 percent of what I may own legally, if it happens to be gold, certainly if the time should come, the Government could take over 40 percent of what I own, whether it be securities in corporations or anything else.

Mr. HOFFMAN. What about cows?

Mr. AMLIE. They probably would not want my house.

Mr. HOFFMAN. I said cows. If the gentleman were a farmer does he think they should take over a percentage of the crops, as it is reported has been done in Russia or Germany?

Mr. AMLIE. I don't think the farmers ever need to worry very much about their cows, because neither the gentleman nor I nor anyone else connected with the Government would care to take over the job of going out in the morning and milking the cows. I am sure the farmers do not need to be alarmed over the tendency toward socialism of the New Deal.

Mr. HOFFMAN. The gentleman would justify the taking over of the gold. Would he justify taking over part of the crops of the farmer?

Mr. AMLIE. If it is necessary to take care of the people; yes. I feel that the welfare of the people and all the people is the first concern of the Government. That comes before any property rights of an individual. All government is based upon that assumption. And why not? The very right to own private property depends upon the existence of the Government.

I am going to take a moment now to refer to a speech made here in Washington last May by Leon Henderson, economist for the W. P. A., formerly connected with the N. R. A. Dr. Henderson came out squarely over 6 months ago with the statement that the next major business recession would commence within 6 months. I was rather struck by the fact that no newspapers carried any account of that speech or any other speeches that Dr. Henderson made to the same effect. Dr. Henderson based his prediction upon the fact that individuals and corporations were piling up large sums in profits and savings, that there was no place for profitable reinvestment of those savings, and that manufactured goods were being piled up throughout the country, that the working people were spending about 115 or 120 percent of their total incomes, through the instrumentality of credit and installment buying. Taking into consideration the natural characteristics of the business cycle, Dr. Henderson expressed his firm belief that we would have a major business recession starting in 6 months. I take this occasion to mention Dr. Henderson's speech not only to give credit to one man who so clearly saw what was going to happen but because, what is more important, he pointed out correctly last May the reasons on which he based his prediction.

If the prosperity we had last year was due to the fact that working people were spending 15 or 20 percent more than they were earning, through the purchasing of goods on credit, then it stands to reason that when the time comes when they must start paying back some of this borrowed money they will of necessity be compelled to buy even less than the amount of their wage income. On top of this, every realistic businessman knows that Government spending has been one of the big factors behind the business activity that we have had during the past few years. If we have, therefore, come to the apparent end of Government spending and working people have to start paying back the money that they have borrowed, then it stands to reason that there must follow a tremendous falling off of business activity all along the line. This, in short, is the real reason for the present business recession.

Just now, Congress and the country are being overwhelmed by demands that business must be encouraged if we are to get out of the depression. This is utter drivel. Why should business go ahead and expand production when it is apparent that there will be less purchasing power available during the next year or two? Will a businessman be more likely to expand his production if his taxes are reduced? I do not believe there is as much justification for believing that this will result in increased business activity as there would be if this same tax money were collected and turned over to some hungry family for relief purposes. In the latter case, it would all be spent for goods and services; while if it were refunded to a businessman as a tax rebate, the chances are that he would simply salt it away with \$4,500,000,000 in profits earned in 1937, which is merely piled up looking for a chance to be profitably reinvested where no such opportunity exists. After all, how can we reasonably expect businessmen to reinvest their money in further plant capacity when our present capacity is not being anywhere near fully utilized?

At this point I should like to call your attention to the thing that happens to the economic system when the Government spends money in order to create purchasing power in a certain group that would not otherwise exist. Let

us take for instance the payment of a billion and a half to ex-service men a year and a half ago. I do not know how many times this money turned over in the natural channels of business after the ex-service men received it. Let us assume that it turned over 15 or 20 times in the course of a year. Let us assume, next, that each time this money turned over, 10 percent of it was segregated for profits. Each time the total amount turned over it became progressively smaller until after a year or 18 months it became so small that it ceased any longer to have any appreciable effect on the sum total of business activity. If we are to listen to the businessmen, to the spokesmen of the Republican Party, or to the financial or editorial pages of almost any daily newspaper, we should be led to conclude that the more of this amount that went in the form of profits, the healthier and more wholesome the resulting situation would be.

At first glance there would seem to be some justification for this point of view. The greater the profit in each turn-over, the greater the profit for business concerns as a whole at the end of the year. The greater the earnings of the companies whose securities are listed on the various exchanges, the more the value of those securities would be enhanced. In other words, the greater the profits the greater the resulting boom.

But there is also another side to this picture. If, let us say, the profits on each turn-over were not 10 percent, but 5 percent, the stimulating effect of this blood transfusion on the economic system would last just twice as long. If businessmen had been satisfied only to take half the profit that they insist they must have in order to perform their function, then the effect of Government spending might have lasted just twice as long.

But this is apparently not in the nature of businessmen. They insist that they get all the cream at once. If they do not get it, they immediately protest to the high heavens that the Government is discriminating against them, that the Government is not giving them a fair chance, that Roosevelt is to blame, and so forth, and so forth, and so forth.

I see no reason for believing that a reduction in taxes on accumulated profits would stimulate business activity. To be sure, if money were to be paid out by a company in profits rather than in taxes, it might cause a brief flurry on the stock market, but the intelligent speculator would have enough sense to know that in the long run it would make for more business activity and prosperity if this money were paid to people who would immediately use it to purchase the necessities of life. If we decide at this time to repeat the mistakes of the Hoover administration, we can do no better than to take the advice of the spokesmen for business, who have taken up nine-tenths of the time on the floor of Congress since the special session was called.

In my opinion, the time has come when the Government, as far as the welfare of the people is concerned, has two alternatives. It can go ahead with a program of Government spending sufficiently far reaching in scope to take care of the unemployed in need, in the cities and on the farms. This is the course that, in my opinion, is easiest, because it is the course that a majority in Congress have shown themselves willing to follow during the past 4½ years. There is, however, another alternative, which in my opinion is more sound. This is the alternative presented in the Industrial Expansion Act, introduced last June by Congressmen ALLEN of Pennsylvania; MAVERICK, of Texas; VOORHIS, of California, and myself. This bill provides for the setting up of a national plan calling for the operation of all industry at optimum capacity. This plan would naturally contemplate the reemployment in public or private industry of all those who are now employable and unemployed.

It is my intention to send to each Member of Congress, during the next few days, a copy of the Industrial Expansion Act, together with explanatory speeches by its sponsors.

The SPEAKER. The time of the gentleman from Wisconsin has again expired.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. HILDEBRANDT, for an indefinite period, on account of illness.

To Mr. RUTHERFORD, for the rest of the week, on account of important business.

To Mr. MEAD, for 3 days, on account of personal business.

EXTENSION OF REMARKS

Mr. O'CONNELL of Montana. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein two short editorials on the Mooney case.

The SPEAKER. Is there objection?

There was no objection.

ORDER OF BUSINESS

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent to make a statement.

The SPEAKER. The gentleman from Texas asks unanimous consent to make a brief statement. Is there objection?

There was no objection.

Mr. RAYBURN. The House, of course, will meet tomorrow. It is necessary to meet tomorrow or on Friday in order to adjourn over. It is my intention to ask unanimous consent tomorrow that when the House adjourns tomorrow it adjourn to meet on Monday. There will be no business transacted tomorrow, no legislation whatsoever.

Mr. Speaker, there is a further statement that I desire to make and then I wish to proffer a unanimous-consent request.

The Committee on Agriculture has agreed upon a bill. That bill has been introduced. Therefore it will be available in the form that it will be reported from the committee, on Friday, because they have introduced a clean bill and brought it back. It will be impossible to bring the bill up before next week. There are two ways in which we can get it up next week. One, of course, is by a rule reported on Monday, to make the bill in order on Tuesday, but in order to save a day and in order that we may have plenty of time for general debate and also have plenty of time under the 5-minute rule and not be rushed, I desire to proffer a unanimous-consent request, after consulting with the chairman of the Committee on Agriculture, the ranking minority member, and also the minority leader. That is, that the so-called farm bill may be in order and that it may be called up at the discretion of the chairman of the Committee on Agriculture, which I imagine will be on Monday of next week; and, pending that, I would ask unanimous consent that general debate on that bill may continue for 2 days.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. SNELL. Mr. Speaker, reserving the right to object, as far as I know, there is no disposition on this side of the House to in any way obstruct the early consideration of the farm bill. The only thing we are anxious about is that we have ample time to fully discuss the bill and all of its provisions. Of course, it is a little different from the other farm bills, because this is to be a permanent farm bill and it should be well and carefully considered by every Member of the House. We ought to know definitely what we are doing if it is possible for us to understand it. I have no objection to the gentleman's general request, but I would like to have him grant us 3 days of general debate. My experience in the House has been that it will not delay the passage of the bill if we get a little more time on general debate, for the simple reason that there will not be so many Members who will want to speak under the 5-minute rule. If general debate should become exhausted before the end of the third day, of course we can go right along and read the bill, with the understanding that the bill is to be considered under the general rules of the House, with ample time under the 5-minute rule.

Mr. MICHENER. Mr. Speaker, will the gentleman yield right there?

Mr. RAYBURN. I yield.

Mr. MICHENER. The debate is to be confined to the bill?

Mr. RAYBURN. Yes. I will modify my request, Mr. Speaker. The statement of the gentleman from New York [Mr. SNELL] appeals to me very much. I will revise my request to ask for 3 days of general debate, and also that the time be equally divided and controlled by the gentleman from Texas [Mr. JONES], chairman of the Committee on Agriculture, and the ranking minority member, the gentleman from Kansas [Mr. HOPE], and that the debate be confined to the bill.

Mr. HOPE. Mr. Speaker, will the gentleman yield?

Mr. RAYBURN. I yield.

Mr. HOPE. The gentleman's request calls for 3 days of general debate, which is agreeable to me, but I am wondering about how many hours the gentleman contemplates that will mean, because that is important in the allocation of time to individual Members. May we assume that will mean 4 or 5 hours a day?

Mr. RAYBURN. I think it may be safely assumed the 3 days will be devoted to this bill. I do not know of anything that might intervene.

Mr. SNELL. Of course, that is my understanding.

Mr. RAYBURN. I will say that one of those days a message from the President may come on the question of housing, but that would take only a few moments.

Mr. HOPE. Would you count on 4 or 5 hours each day?

Mr. RAYBURN. Yes.

The SPEAKER. The gentleman from Texas [Mr. RAYBURN] asks unanimous consent that the bill reported from the Committee on Agriculture, the so-called general farm bill, may be in order to be called up by the chairman of the Committee on Agriculture; that general debate on the bill shall continue for 3 legislative days, the time to be equally divided between the chairman of the Committee on Agriculture and the ranking minority member, the general debate to be confined to the bill. Is there objection to the request of the gentleman from Texas?

There was no objection.

ENROLLED BILL SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H. J. Res. 516. Joint resolution to provide for certain expenses incident to the second session of the Seventy-fifth Congress.

ADJOURNMENT

Mr. RAYBURN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 26 minutes p. m.) the House adjourned until tomorrow, Thursday, November 25, 1937, at 12 o'clock noon.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DORSEY: A bill (H. R. 8500) to authorize a preliminary examination and survey of Frankford Creek and the watershed thereof, in Philadelphia County, State of Pennsylvania, for flood control, for run-off and waterflow retardation, and for soil-erosion prevention; to the Committee on Flood Control.

By Mr. EICHER: A bill (H. R. 8501) to regulate interstate and foreign commerce in agricultural products yielding exportable surpluses; to prevent unfair competition by forbidding the purchase of such products from producers for less than cost of production; to fix the value of money therein; to provide for the orderly marketing of such products; to set up emergency reserves from, and to make loans on, certain export percentages; to authorize debentures for processed and manufactured agricultural products for export; to provide for the general welfare; and for other purposes; to the Committee on Agriculture.

By Mr. GEHRMANN: A bill (H. R. 8502) to amend the Wisconsin Chippewa Jurisdictional Act of August 30, 1935 (49 Stat. L. 1049); to the Committee on Indian Affairs.

By Mr. HARTER: A bill (H. R. 8503) to amend section 117 (a) of the Revenue Act of 1936 with respect to the computation of capital gains and losses; to the Committee on Ways and Means.

By Mr. IGLESIAS: A bill (H. R. 8504) to extend the provisions of the so-called Wagner-Peyser Act, approved June 6, 1933 (Public, No. 30, 73d Cong.), to Puerto Rico; to the Committee on Labor.

By Mr. JONES: A bill (H. R. 8505) to provide for the conservation of national soil resources and to provide an adequate and balanced flow of agricultural commodities in interstate and foreign commerce; to the Committee on Agriculture.

By Mr. KENNEY: A bill (H. R. 8506) to provide for the taking of a census of idle money, unemployed capital, and needed capital, and for other purposes; to the Committee on the Census.

Also, a bill (H. R. 8507) to amend the Home Owners' Loan Act of 1933, to reduce the rate of interest on home loans to 3 percent, to extend the amortization period to 25 years, and for other purposes; to the Committee on Banking and Currency.

By Mr. SUMNERS of Texas: A bill (H. R. 8508) to suspend the issuance of patents for the invention of labor-saving machines, and for other purposes; to the Committee on the Judiciary.

By Mr. TAYLOR of Tennessee: A bill (H. R. 8509) to amend sections 1 and 2 of the act entitled "An act to establish a retirement system for employees of carriers subject to the Interstate Commerce Act, and for other purposes," approved August 29, 1935, as amended; to the Committee on Interstate and Foreign Commerce.

By Mr. TOWEY: A bill (H. R. 8510) to repeal section 340 of the Revenue Act of 1936, as amended, relating to the filing of certain information returns by attorneys, accountants, and others; to the Committee on Ways and Means.

Also, a bill (H. R. 8511) to amend section 112 of the Revenue Act of 1936, as amended, relating to recognition of gain or loss in case of certain sales; to the Committee on Ways and Means.

By Mr. ATKINSON: A bill (H. R. 8512) for the protection of Government law-enforcement officers or agents, by providing pensions to those injured, and compensation to the dependents of those killed in the discharge of duty; to the Committee on the Judiciary.

By Mr. CASE of South Dakota: Resolution (H. Res. 364) requesting certain information from the President of the United States; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CANNON of Wisconsin: A bill (H. R. 8513) for the relief of John F. L. O'Leary; to the Committee on Claims.

By Mr. CREAL: A bill (H. R. 8514) granting a pension to Rebecca J. Tilley; to the Committee on Invalid Pensions.

By Mr. EDMISTON: A bill (H. R. 8515) to amend the act entitled "An act for the relief of Harry Bryan and Alda Duffield Mullins, and others;" to the Committee on Claims.

By Mr. GUYER: A bill (H. R. 8516) granting a pension to Eliza G. Johnson; to the Committee on Invalid Pensions.

By Mr. QUINN: A bill (H. R. 8517) to correct the naval record of Earl Emmett Carson; to the Committee on Naval Affairs.

By Mr. TREADWAY: A bill (H. R. 8518) for the relief of Claude F. Horn; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

3426. By Mr. LUTHER A. JOHNSON: Petition of Delton Beddingfield, Roy Jones, Jerre Bottoms, R. F. Hull, Aaron Shields, Jack Minter, Harold Brotherton, Bill T. Bickers, Sterling Smith, J. D. McLaughlin, Elwyn Holmes, all of Jewett, and Dale Bottoms, Marquez, of the State of Texas, making suggestions with reference to farm legislation, parity price, etc., and other features to be embraced in the new farm bill; to the Committee on Agriculture.

3427. By Mr. MEAD: Petition of many members of the Lawtons Grange, Lawtons, N. Y., protesting against enactment of wage and hour legislation; to the Committee on Labor.

3428. By Mr. THOMASON of Texas: Petition of Irrigated Cotton Growers Association of Vinton, Tex., and other sections of the El Paso Valley, urging cotton-control law enacted giving each farmer an equal percentage based on production of past 3 years; to the Committee on Agriculture.

3429. By the SPEAKER: Petition of Works Progress Administration Local No. 1, United Federal Workers of America, Washington, D. C., requesting consideration of their resolution passed November 18, 1937; to the Committee on the Civil Service.

3430. By Mr. KVALE: Petition of the Workers Alliance, Chippewa County Local No. 123, Montevideo, Minn., urging steps be taken to provide jobs for all needy unemployed and urging an increase in prevailing Works Progress Administration wages; to the Committee on Ways and Means.

3431. Also, petition of Mrs. Harold Jons, secretary, League of Women Voters, Pipestone, Minn., urging that the food and drug legislation provide for Federal analysis and licensing of proprietary medicines and drugs; to the Committee on Interstate and Foreign Commerce.

3432. By Mr. CULKIN: Petition of the Kirkland Grange, Redwood, N. Y., opposing enactment of the Black-Connery wage and hour bill; to the Committee on Labor.

3433. By Mr. CARTER: Resolution No. 54, adopted at the annual convention of the California State Federation of Labor, pertaining to Alaska fisheries; to the Committee on Merchant Marine and Fisheries.

3434. By Mr. IZAC: Resolution of the Oneira Club, of San Diego, Calif., and letter to their membership, pledging to refrain from purchasing silk hosiery in the interest of world peace and to stimulate American cotton industry; to the Committee on Foreign Affairs.

3435. By Mr. ASHBROOK: Petition of the Maids of the Midst Club of Plymouth, Ohio, opposing the Hill-Sheppard bill and favoring the Ludlow war referendum bill; to the Committee on the Judiciary.

3436. By Mr. SWOPE: Petition of Ralph B. Killian and 47 other citizens of Shippensburg, Cumberland County, Pa., favoring House Joint Resolution 199 and petitioning Congress to give the people the opportunity to vote on whether or not we are to be plunged into another foreign war; to the Committee on the Judiciary.

HOUSE OF REPRESENTATIVES

THURSDAY, NOVEMBER 25, 1937

The House met at 12 o'clock noon.

Rev. Clifford H. Jope, pastor of the Ninth Street Christian Church, Washington, D. C., offered the following prayer:

Our Divine Father, amid all other voices that speak to us this Thanksgiving Day may we hear Thy voice most distinctly. Give Thy good counsel to all who rule in this land that the seductive enemies of our people; war, ignorance, disease, greed and lust, dishonesty and lawlessness may be utterly destroyed. Make us worthy of our benefactions and high trusts. Give us sanity in the use of freedom. May we be just in the exercise of power and authority. Lead us to be generous in our service to the weak and the needy. Grant unto each of us an increasing sense of our responsibility and privilege as colaborers with Thee in the building upon earth